

Can Teamster boss Hoffa be
the **transport dictator**
of the United States?.....p. 38

May 8, 1961

RAILWAY AGE WEEKLY



New MP yard is built for growth.....p. 12



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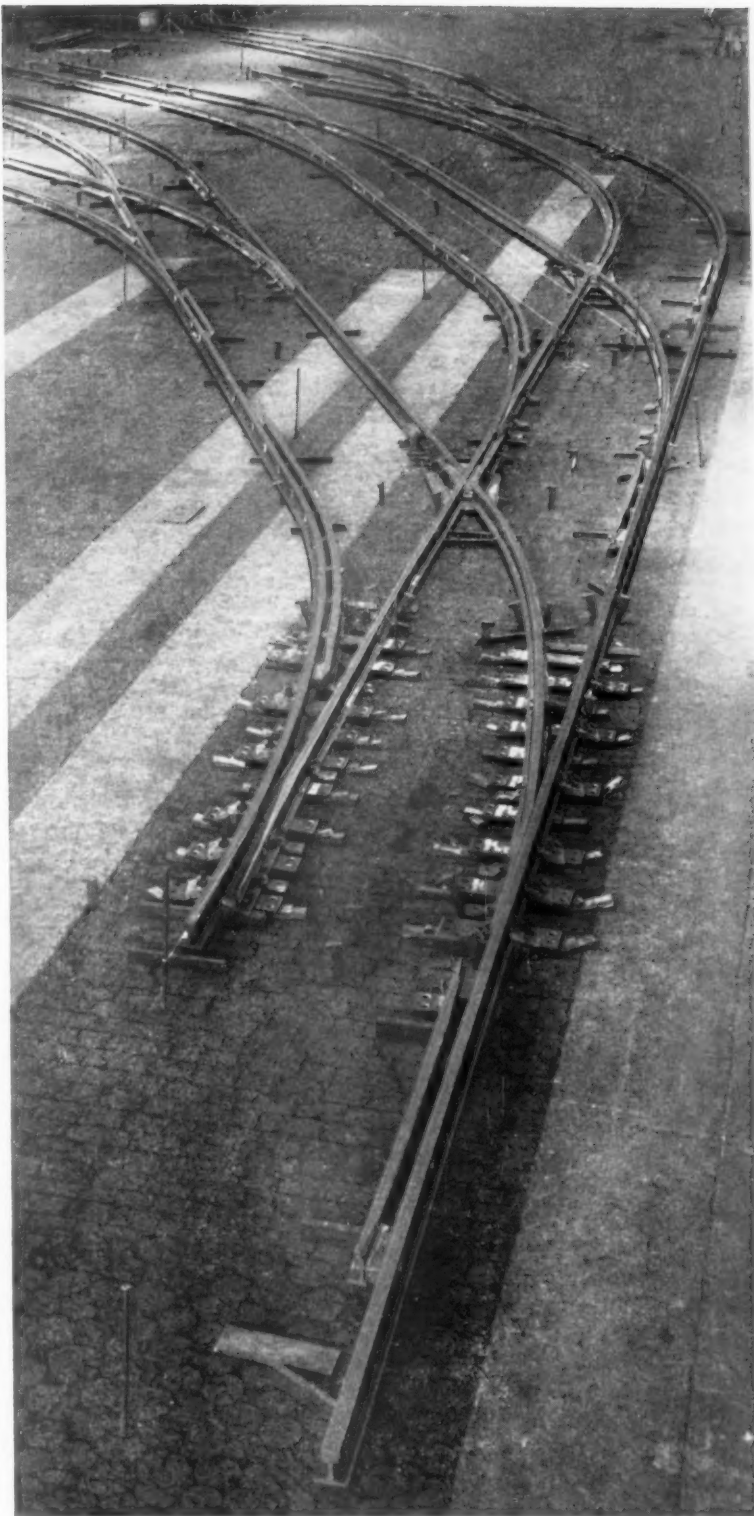
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May 8, 1961 • Vol. 150, No. 19

Mergers: No job freeze needed

The U. S. Supreme Court has ruled that the Interstate Commerce Act's merger provisions don't require a freeze on jobs. Severance pay will sufficep. 9

AT&T, railroads reach agreement

Conditions have been established for interconnection between rail-owned communications circuits and telephone company facilitiesp.10

New MP yard is built for growth

The electronic facility is the main classification point for through traffic between St. Louis and Texarkana and Texas pointsp.12

Which maintenance is best for work equipment?

The various merits of field and shop maintenance were thoroughly aired at a recent meeting of the Metropolitan Maintenance of Way Club (N.Y.)p.16

The great train robbery

What's behind the offensive which the Teamsters, truckers and water carriers have launched against piggyback? Here's the story as the nation's press sees itp.22

What YOU can do

Railroads are urging the support of their employees, suppliers and customers in their fight against passage of Teamster-backed S. 1197p.24

Kennedy aide promises RR help

The undersecretary of commerce for transportation says proposals under consideration include "realistic tax and depreciation policies" for railroadsp.29

Departments

As the Publisher Sees It	32
Dividends Declared	34
Freight Carloadings	31
New Equipment	31
New Products Report	18
People in the News	35
Railroading After Hours	14
Railway Market	31
Supply Trade	35
The Action Page	38
Watching Washington	10
You Ought to Know	36

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Milwaukee wary of GNP&B

The road has asked the ICC to attach six special conditions to the proposed Great Northern-Northern Pacific-Burlington consolidationp.33

NYC proposes union with N&W

The road still prefers an NYC-B&O-C&O alliance, but is willing to settle for inclusion in the N&W-NKP-Wabash plan as an alternativep.34

The Action Page—What is Hoffa up to?

The Teamster boss seems to be planning to make effective use of his rapidly growing stranglehold over the nation's commercep.38

Short and Significant

A 9% increase in April carloadings ...

is evidence to C&O that "the awaited traffic upturn" has at least started. But the road's April traffic and revenue remained below the comparable year-ago, pre-recession figures.

A 'full crew' proposal ...

prescribing a minimum crew of five for freight trains was defeated by a vote of 104 to 98 in the Pennsylvania legislature (RA, April 24, p.52).

RPI has advised railway suppliers ...

that S. 1197, the so-called Bartlett bill, "would definitely curtail rail traffic and thus lessen the revenue needed" for purchase of supplies and new equipment.

Rail freight loss and damage charges ...

totaled \$119,933,794 last year, up 3.7% from the \$115,618,244 reported in 1959. Number of new claims presented, however, declined by 153,048, or 5.1%.

Current Statistics

Operating revenues	
2 mos., 1961	\$1,367,546,547
2 mos., 1960	1,563,912,129
Operating expenses	
2 mos., 1961	1,170,140,327
2 mos., 1960	1,254,767,533
Taxes	
2 mos., 1961	142,606,243
2 mos., 1960	168,253,956
Net railway operating income	
2 mos., 1961	8,877,379
2 mos., 1960	85,821,736
Net income estimated	
2 mos., 1961	27,000,000
2 mos., 1960	55,000,000
Carloadings revenue freight	
16 wks., 1961	7,944,935
16 wks., 1960	9,425,569
Freight cars on order	
April 1, 1961	15,801
April 1, 1960	42,131
Freight cars delivered	
3 mos., 1961	9,347
3 mos., 1960	13,850

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averaged 2,403,800
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Cycles to Failure

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369,000
400,000
414,600
457,900
531,500

Av. 371,500

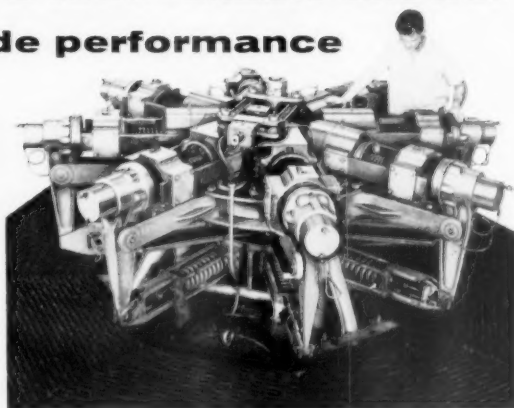
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Mergers: No Job Freeze Needed

► **The Story at a Glance:** It's now clear that labor-protection requirements of the Interstate Commerce Act's merger provisions do not require a job freeze. The alternative of giving severance pay to employees affected is available.

The United States Supreme Court so ruled in the Erie-Lackawanna case, thus upholding the ICC and the railroads and rejecting contentions of the Railway Labor Executives' Association. The decision removes a major threat of delay in the realization of savings from mergers. A job freeze might have required merged companies to maintain duplicate facilities throughout the employee-protection period.

The legislative history of labor-protection provisions in the Interstate Commerce Act's merger section was the principal basis for the United States Supreme Court's ruling that those provisions are satisfied by severance-pay arrangements and do not require that affected employees be maintained in their jobs.

The court's 8-to-1 decision was embodied in an opinion by Chief Justice Warren. The dissenter was Justice Douglas.

The court case was instituted by the Railway Labor Executives' Association, on behalf of the Brotherhood of Maintenance of Way Employees, after the ICC approved the Erie-Lackawanna merger. The unions sought to have the Commission's order set aside because it imposed only the so-called standard labor-protection conditions which contemplate severance pay in lieu of job maintenance. The United States District Court for the Eastern District of Michigan upheld the Commission, and RLEA appealed to the Supreme Court.

The labor-protection law in issue came into the Interstate Commerce Act as the Harrington Amendment to the Transportation Act of 1940, and it is now in the IC Act's Section 5(2) (f). It requires the Commission to condition its approval of mergers so that they will not result in affected employees being "in a worse position with respect to their employment" for post-merger periods up to a maximum of four years.

This maximum applies to employees who have been in service at least four

years. The provision applicable to employees with less service is that their period of protection shall not be greater than the period of their service prior to the merger.

As reviewed in Chief Justice Warren's opinion, the legislative history of the 1940 act shows that this final version of the labor-protection provision was different from the original version. The latter specifically required a job freeze, saying no merger could be approved by the Commission "if such transaction will result in unemployment or displacement of employees. . . ."

When the final version was written by a Senate-House conference committee, it was the subject of considerable discussion in the House. While the court found many statements in this discussion "ambiguous" or "conflicting," it found statements by members of the conference committee which "clearly reveal that compensation, not job freeze, was contemplated."

As to RLEA arguments that the legislative history supported labor's position, the court said: "Were we to agree, it would be necessary to say that a substantial change in phraseology was made for no purpose and to disregard the statements of those House members most intimately connected with the final

version of the statute."

The court also said its interpretation of Congressional intent is supported by positions which the Commission and interested parties took for some 20 years, the job-freeze issue having been raised for the first time in the present case. Chief Justice Warren stated the situation as follows:

"Immediately after the section was passed, interested parties—including the brotherhoods appealing in this case—expressed the opinion that compensation protection for discharged employees was the intent of Section 5(2)(f). The Commission echoed this interpretation in its next annual report and began imposing compensatory conditions, and only compensatory conditions, in proceedings involving Section 5 transactions. The Commission has consistently followed this practice to date in over 80 cases, with the full support of the intervening brotherhoods and the RLEA; indeed, in one case where a variant of the present dispute arose, the RLEA argued at length that Section 5(2)(f) did not impose a mandatory job freeze requirement—compensatory conditions would be satisfactory."

The court noted that many of these previous consolidations were not as big
(Continued on page 34)

Missile-Car Program 'Deferred'

The mobile Minuteman missile program, which contemplated the random movement of armed missile trains on the nation's rail network, has definitely been "deferred" (RA, Feb. 6, p. 32).

First hint of such action came in a recent message to Congress from President Kennedy. Last week a spokesman for Boeing Airplane Co., prime contractor on the program, confirmed that only engineering and development work will continue for the time being. This, he said, will permit quick restoration of the mobile program in case of emergency.

American Car & Foundry Division of ACF and American Machine & Foundry Co., the sub-contractors, have been completing two missile-carrying cars. Additional units in the original five-car program will not be built at this time.

The Boeing spokesman said the deferment resulted from an Air Force decision to spend available funds on fixed-site installations. The latter, defense officials believe, will provide greater missile strength faster.

AT&T, Railroads Reach Agreement

In a joint request filed with the Federal Communications Commission, eight U.S. railroads and American Telephone & Telegraph Co. have asked that the Commission dismiss the interconnection case (Docket No. 12940). Parties concerned have agreed on tariff revisions pertaining to the conditions under which interconnection is allowed between railroad-owned communications circuits and exchange and toll facilities of the telephone company.

The new tariff permits interconnection of railroad-owned and telephone company facilities at both ends of a through circuit for emergency calls, and at either end, but not both, for calls related to the safety, continuity, or reliability of railroad service.

Tariff changes eliminate two provisions of the original tariff. The "grandfather clause" has now been eliminated.

This clause permitted circuits interconnected before the 1959 tariff to so remain after the tariff became effective. The restriction on requiring that an interconnected circuit may contain microwave for no more than 50% of its length has been removed. Thus, the new tariff applies equally to all railroad-owned communications facilities.

The joint filing acknowledges that the railroads "are in a unique position insofar as public safety, welfare, and the national defense are concerned. The interconnection provided for the railroads is for calls occasioned by their special circumstances and operating requirements." Qualifications for interconnection as stated in the new tariff indicate that the bulk of such interconnected calls would be made by operating department personnel.

As stated in the joint filing: "The

presently effective tariffs permit interconnection for railroad-provided circuits in cases of emergency involving safety of life or property."

The revised text reads: "(i) In cases of emergency involving safety of life or property; (ii) in addition, in cases of calls originated by railroad employees under circumstances indicating need for prompt action to secure or maintain the safety, continuity or reliability of railroad service to the public, and related to the movement of passengers, mail, property or equipment by railroad, or the repair, maintenance, or construction of railroad rights-of-way, structures or equipment.

"A call made pursuant to (ii) could not be interconnected simultaneously at both ends, whereas a call made under (i) would not be subject to such prohibition."

WATCHING WASHINGTON WITH WALTER TAFT

• **THIS YEAR'S LEGISLATIVE PROGRAM** of the Railway Labor Executives' Association is now pretty well shaped up. It proposes giving the ICC authority to prescribe inspection rules and standards for railroad cars and roadway, suspending the Commission's power to authorize railroad mergers, tightening the service-abandonment (so-called train-off) provisions of the 1958 Transportation Act, and authorizing government aid for commutation services.

THE RLEA PROGRAM also contemplates opposition to bills which would emasculate the 1958 act's rate-freedom provisions. In that connection, RLEA plans this week to make a presentation in opposition to one of the emasculators, Senate Bill 1197, sponsored by Senator Bartlett of Alaska and several other senators, and supported by James R. Hoffa, president of the International Brotherhood of Teamsters, and by truckers and water carriers generally. RLEA's presentation will be made at Senate Commerce Committee hearings on the bill.

AS TO MERGERS, RLEA FAVORS enactment of one of the several joint resolutions which have been introduced to suspend the ICC's authority to approve consolidations. The proposed suspension would be until December 31, 1962, "in order to provide Congress with time to review the problems arising from the present railroad merger movement."

AS TO SERVICE ABANDONMENTS, the RLEA program calls for legislation which would put service abandonments pretty much on the present line-aban-

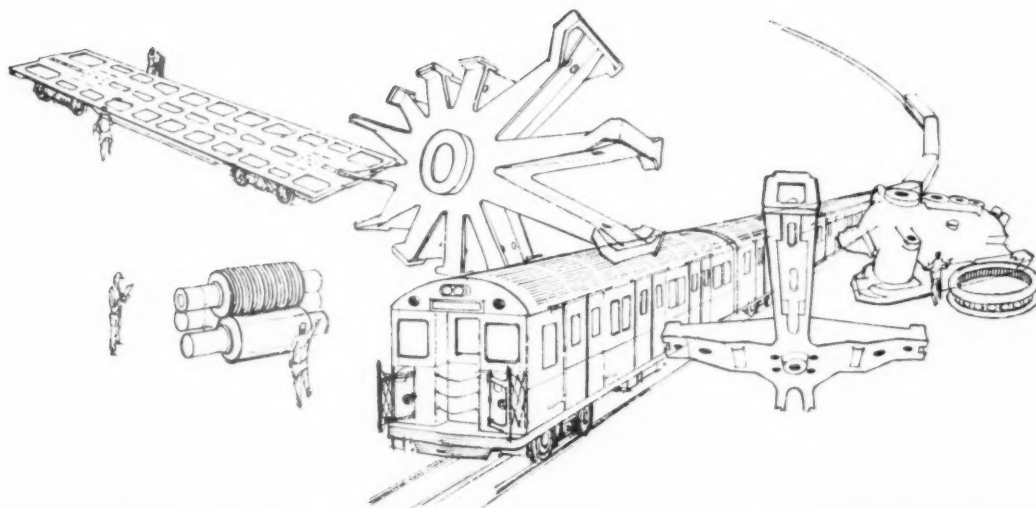
donment basis. That would remove all time limits and permit the ICC to impose labor-protection conditions in train-off cases.

THE CAR AND ROADWAY INSPECTION BILL favored by RLEA is S.1669, introduced by Chairman Magnuson of the Senate Commerce Committee. The bill also has some 15 other senators as co-sponsors. It would give the ICC authority to prescribe standards for the installation, inspection, maintenance and repair of car underframes, couplers, draft gear, or related parts, and of "trackage." The latter would be defined as "tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic."

MEANWHILE, the RLEA drive for legislation to give the ICC power to prescribe rules for operation of track motor cars is still suspended. That's because labor-management negotiations for an agreement on track-car operating rules are still under way.

THE NEGOTIATIONS were started several months ago, and RLEA thinks some progress has been made—but it's been slow, according to RLEA Chairman George E. Leighty. Mr. Leighty identifies "one of the difficulties" as an AAR "claim" that it has no authority to impose rules on its member roads.

THERE'S A RECENT PRECEDENT for an agreement like that sought here. Last year, labor and management got together on a pact which had the effect of moderating the Accident Reports Act then passed. RLEA originally sponsored a much more drastic act.



G S I

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MISSOURI PACIFIC'S NEW classification yard from the far northeast end looking toward the crest, with Little Rock, Ark.,

MP's Brand-New Yard Is Built

Missouri Pacific has opened its second built-for-growth electronic classification yard.

Like Neff Yard at Kansas City, Mo., opened in late 1959 (RA, Dec. 21 '59, p. 46), MP's new facility, at North Little Rock, Ark., was designed with the future in mind. If and when volume demands it, the road can increase capacity by installing an additional group retarder and class track cluster at each side of the present 40-track class yard. In addition, a third new yard is planned for McGehee, Ark., southeast of Little Rock.

North Little Rock Yard is on the MP's main line between St. Louis and Texarkana and Texas points. It is the

principal classification point for through traffic moving over the route. It also will handle pre-blocking of northbound cars for delivery to connections at St. Louis. Operating plans call for McGehee Yard to become the major classification point for traffic moving on MoPac's St. Louis-Memphis-Alexandria line. The line funnels traffic in and out of Louisiana and Texas.

Principal difference between North Little Rock and Neff Yards is size (plus the fact that traffic requirements and space limitations dictated the building of Neff Yard as a double-crest facility). Both yards use General Railway Signal Co.'s Class-Matic II car classification system.

Two-mile-long North Little Rock Yard has track capacity for 2,500 cars. The classification yard itself has space for 1,600 cars on 40 tracks—five groups of eight tracks each. A six-track departure yard runs along the north side of the yard; a smaller six-track local departure yard parallels the class yard on the south side.

Much of the yard is built on a 5-ft fill, on a large area of lowland, bordered by a drainage ditch and levee, and bisected by a canal. The hump track bridges the canal a short distance below the master retarder. Yard construction began in the spring of 1960. It involved relocation of one branch of the canal, and also of MP's mainline trackage at



in the far distance.



CLASSIFICATION is monitored from the top floor of North Little Rock Yard's retarder tower. Controls permit the operator to substitute manual for automatic operation if necessary.

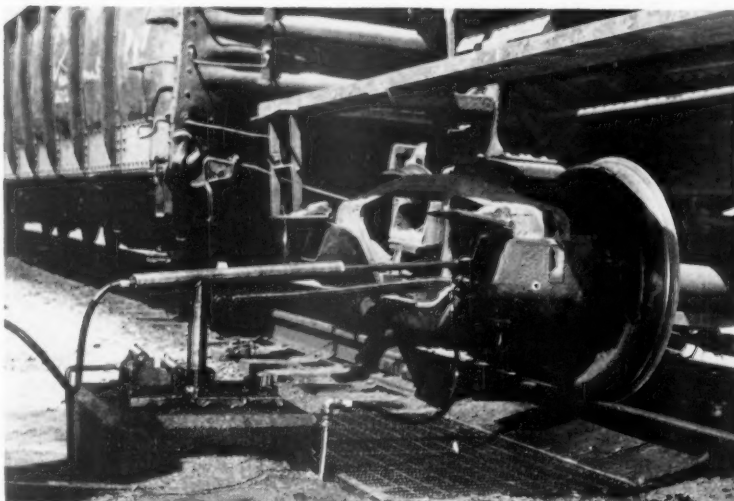


CREST CONDUCTOR checks hump list as cars are shovelled and uncoupled. Track destination buttons on conductor's control panel control the routing of cars through group retarders into the class yard.

for Growth

the south side of the yard (to provide the needed width for the class yard, including space for future expansion). MP used 112-lb rail throughout, except on the hump track, where 132-lb was specified. Hump grades are 3% to the crest, 5.531% at the master retarder and .8% at the group retarders. The master retarder is 148 ft long, the group retarders 99 ft.

Two types of construction were used for yard buildings. The crest tower is a brick and masonry structure. Metal siding panels over a steel frame were used for the retarder tower and computer equipment building and the assistant yardmaster's tower at the east end of the yard.



JOURNAL OILER automatically injects oil into each journal box as cars move toward the crest. Oiler nozzle is positioned pneumatically.

Halliburton Tries New Tank-Type Car

A pneumatically operated, tank-type car for hauling and transferring powdered, granular, and pelletized materials has been placed in service by Halliburton Company of Duncan, Okla.

The 2,400-cu-ft car handles materials normally moved in covered hoppers. The car, although developed by Halliburton for its own operations, has been operated experimentally handling materials for other industries.

Halliburton, an organization specializing in oil-well cementing, operates in petroleum-producing regions of the U.S. and foreign nations. The car was developed for moving the bulk materials used in oil-well cementing. Halliburton already operates a fleet of 144 conventional covered hopper cars in which cement and flyash are moved between mills and its oil-field operations.

Development of the special car followed the testing of a prototype: a standard flat car equipped with pneumatic tanks. The prototype was found to be not suitable for installation of the pneumatic handling equipment. A special car of 70-ton capacity was then ordered from Thrall Car Manufacturing Company. The car is permanently fitted with three standard Halliburton tear-drop-shaped, 800-cu-ft tanks piped for pneumatic loading and unloading. Load limit of the car is 152,000 lb.

Because of the large volumes of materials involved in cementing oil wells, Halliburton does extensive research in pneumatic bulk handling. Its techniques and equipment have already found many non-oil-field applications. The car was engineered by the firm's bulk materials handling department.

Unloading the car requires only a hose connection to the tank and a supply of compressed air. Because of the aeration system, tanks are virtually self-cleaning. This reduces materials waste and the possibility of contaminating subsequent loads.

One man has been able to unload the car in 30 min. about one third the time required for three or four men to unload one of the conventional Halliburton covered hopper cars.

The prototype and the new car were initially placed in service handling oil-well-cementing materials in Texas, the Oklahoma Panhandle, and Kansas. The new car has test-handled other dry materials, such as barite, bentonite, lime, sand, pelletized carbon black, crushed carbon coke, and calcined petroleum coke.

RAILROADING AFTER HOURS WITH JIM LYNE

WHY SOCIALISM THRIVES—I've just read a clipping from the Pittsburgh, Pa., Press that's a real dilly. It tells about a steel manufacturer from Youngstown who, on a recent evening, made a rousing speech in Pittsburgh against "the welfare state" and governmental invasion of the economy. The next day this same gentleman was back in Youngstown, carrying on the campaign for a huge canal to connect Lake Erie with the Ohio River.

NOT THE RIGHT ANSWER—Reader A. T. Smyth says railroads lack the support of votes, and that the obvious way to get votes is to nationalize the railroads. He asks if I would want that.

The answer is NO. Two wrongs do not make a right. The political handicaps of railroads can be rectified by making governmental investments in transportation self-supporting—and by reducing taxes on railroad property (or levying parallel taxes on the use of government transportation property); and by requiring highway and waterway planners to take into account the economic claims of railroads before authorizing further projects.

Transportation issues should be settled in the public interest—not making them the mere resultant of conflicting pressure-group activity.

WHO DONE IT?—A popular magazine has printed a report of a bedraggled suburban station being given a hurried superficial cleaning—to serve as background in a photograph for an auto ad. The writer sadly chides the railroad for helping to sell automobiles, "the bringers of death to railroads."

The magazine is putting the finger on the wrong party, to my way of thinking. It isn't the automobile that's undermining the passenger train—it's the hotheadedness of highway construction that's doing the damage. And not the highways either, as such—but the reckless profusion

of them at public expense (and with no property taxes, to match those laid on railroads).

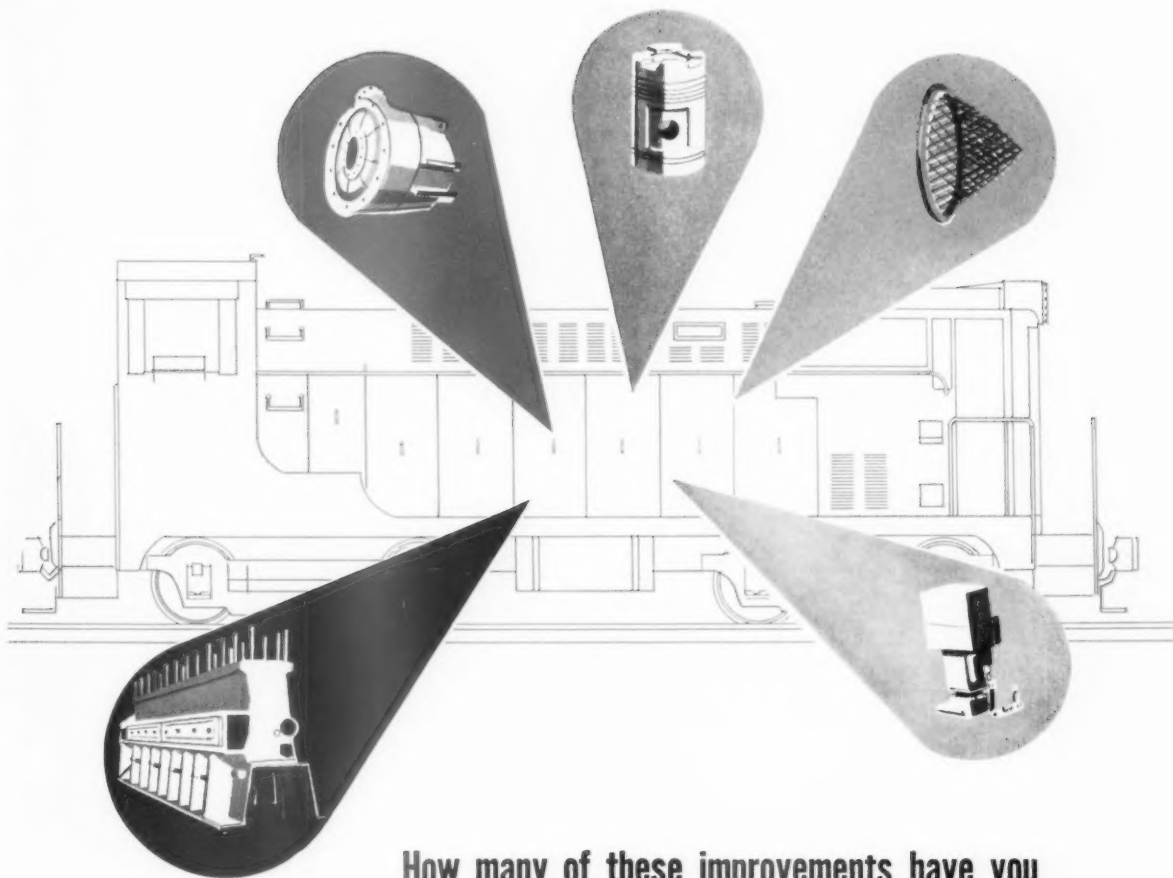
If public money were being lavished on railroads instead of highways, it would be the auto—not the passenger train—that would be suffering the anemia. Even the healthiest and most acrobatic of TV cowboys can be slowed down by the slug from a .45; and the federal treasury is an arsenal.

LAWFUL HUMOR—You don't often see lawyers do much joking about their own trade—but I note a piece to the contrary in the April ICC Practitioner's Journal, by Edgar Vanneman of the C&NW. He has compiled a "Glossary of Terms Used in Rate Proceedings," such as:

"Destructive rate" (the other fellow's rate); "competitive rate" (the rate we put in because of the other fellow's destructive rate); "blatant failure" (the other side's pleadings); "we are reliably informed" (a fact we can't prove and have no basis for) . . . and so on. It is quite a list, and worth extending.

TOO MANY JEREMIAHS?—There's a lot of (necessary) argument and discussion going on these days about serious questions of industry and national policy—but there's only a certain amount of such discussion that anybody can take at a time. For a change, I was talking to one of my colleagues the other day about one trouble—locomotive boiler explosions—the railroads used to have, but which has disappeared. And it wasn't the fading away of the steam locomotive that did it, either—because these explosions had all but vanished, even before the diesel won its victory.

When I was a little kid at Slater, Mo., one of my earliest recollections is of boiler explosions—not at all uncommon then, either in the yard or out on the road. And persistent education, plus some warning devices, practically eliminated them.



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Which Is Best For Work Equipment?



PRO-SHOP JOHNSON: Machines can be scheduled on a regular basis; work is not likely to be held up.



MODERATOR ALMY: Situations differ. What is best for large roads is not necessarily workable on small ones.



PRO-FIELD MARTIN: Additional hours of production gained by keeping machine in field are a distinct aid.

How can a railroad get the best value for its maintenance dollar? Is it good economy to maintain a centralized shop and schedule work equipment through it on a regular basis? Or should mobile units be set up and kept in readiness to go to any part of a railroad system and make repairs on the spot?

These controversial questions were given a thorough airing by the Metropolitan Maintenance of Way Club (NY), at its annual business meeting, April 27. Arguments in favor of shop maintenance were presented by Robert Johnson, supervisor of work equipment, Western Maryland. The rebuttal for the field maintenance point of view came from Paul Martin, methods engineer, New York Central. Additional points on both sides were raised from the floor in a discussion period following the talks.

The advantages of shop maintenance, as Mr. Johnson described them, arise from the fact that maintenance of most machines can be regularly scheduled.

"Shop maintenance of work equipment can be divided into three categories," Mr. Johnson noted:

- "Machines that require seasonal overhaul or seasonal repairs, such as equipment used by tie and surfacing gangs.

- "Machines that need a general overhaul after a certain number of hours service, due to wear and working conditions under which the machines have been operating.

- "Certain machines that require a minimum of shop maintenance at regular intervals.

"These three can be scheduled through the work equipment shop for general or major repairs, and in the majority of times, repair parts can be ordered ahead of time and can be in stock when the machine arrives."

With maintenance at shops, Mr. Johnson asserted, work is not likely to be held up waiting for parts, even parts that "cannot be ordered until after the equipment is dismantled," since usually there are suppliers available near the shop who can provide what is needed.

"The shop should be especially equipped to handle all types of repairs to roadway machines, automotive vehicles, and other types of work equipment," Mr. Johnson said. "With this other type of equipment, and your automotive vehicles, you can justify a stable force in the shop."

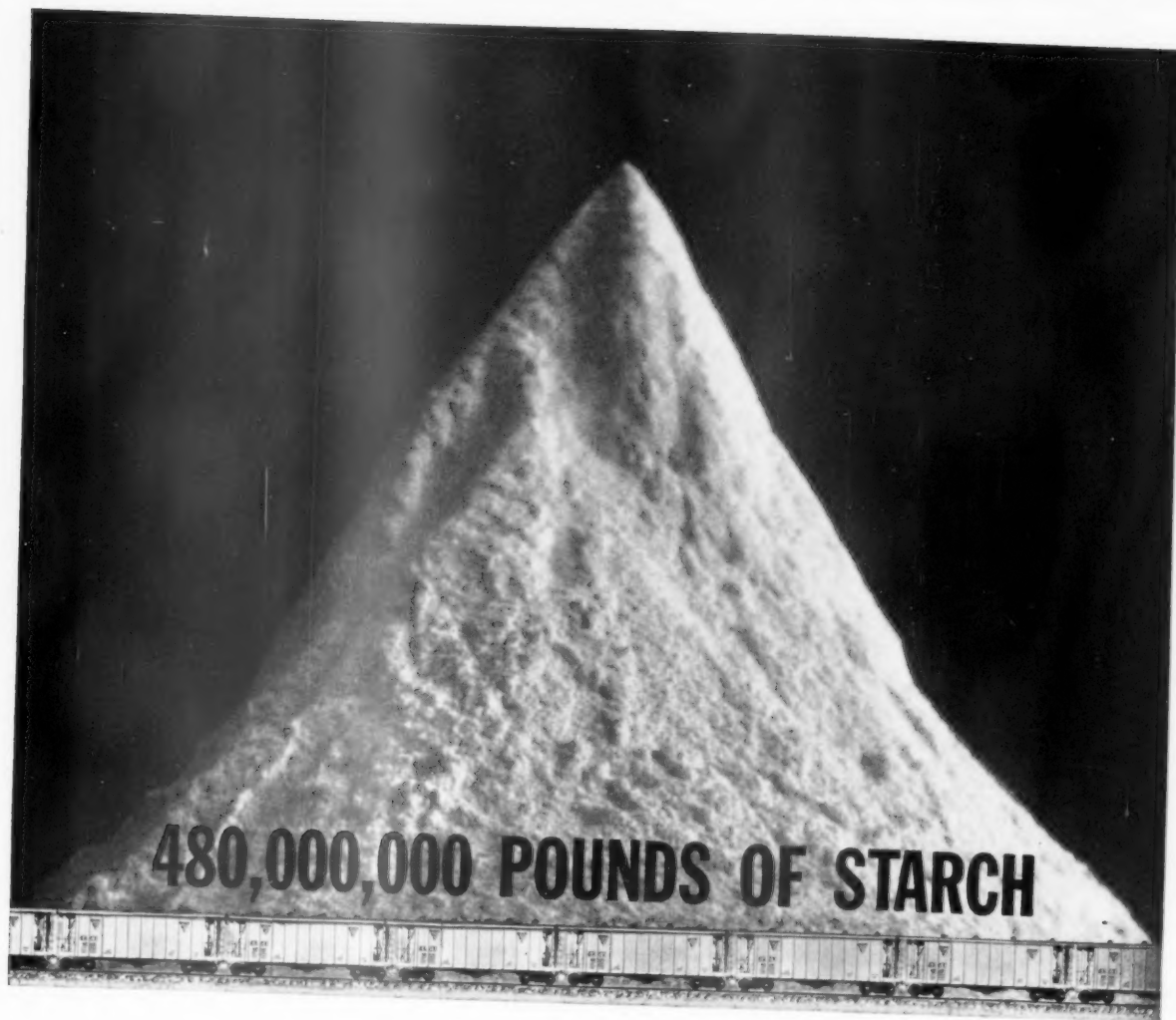
Mr. Johnson pointed out that reports can be kept up for each piece of equipment as it comes through the shop, noting what parts are required currently and what are anticipated for the following shopping. "With the shop maintaining the major or general seasonal overhauls of equipment and supplying the parts to the mechanics in the field," he said, "you can maintain an accurate record of your equipment and anticipate additional repairs for the next season. You have a better stock of material on hand . . . and you know what

material for repairs is on hand when the machine arrives for dismantling and overhaul. With the proper supervision, adequate field inspection and work reports made in advance of repairs, you can anticipate your needs, man hours and the amount of time a machine is in the shop for repairs."

On the Western Maryland, Mr. Johnson said, machines that have been overhauled in the shop are assigned to the local general track foreman for a period of two weeks. "The man or men who overhauled these machines," Mr. Johnson pointed out, "go out with the foreman and supervisor of work equipment and put these machines into service. This gives a running test of the work we have done in the shop." It is also educational, Mr. Johnson added, since the mechanics get a better understanding of the operation of the machines. "We find that this type of operation, with mechanics overhauling and testing the machines in yard tracks has paid dividends," Mr. Johnson said.

On the Western Maryland, Mr. Johnson noted, the tie and surfacing gangs begin work about May 1. "Instead of waiting for the T&S season to begin," Mr. Johnson said, "we are improving our yard track conditions. This year we had two yard operations with our T&S equipment. We laid rail in the yard with our equipment in the winter months. We built one yard with this same equipment. Our T&S equipment

(Continued on page 27)



Many producers of starch are familiar with the economies possible when Airslide Cars are used for bulk shipment. 200 of these cars are shuttling back and forth across the country hauling starch. In this Airslide fleet, 480,000,000 pounds of starch will ride *first class* this year. Shippers who use Airslide cars know that their product completes the journey at much less

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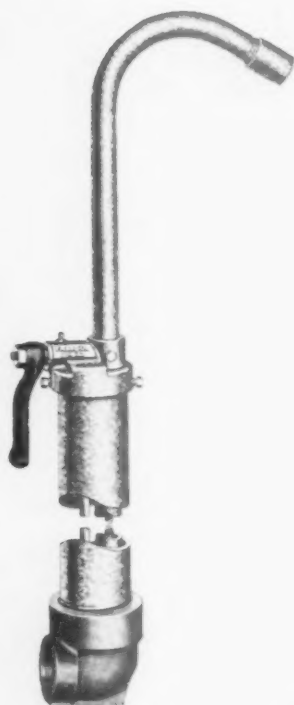
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NEW PRODUCTS REPORT



Non-Freeze Hydrant

The FAMOUS "840" sanitary, non-freeze, self-de-icing railroad hydrant is designed to deliver an adequate flow of drinking water for servicing passenger coaches regardless of temperature. A self-activating, patented, rubber tube, installed in the spout under tension, expels any water remaining after the flow is shut off. Approved for railroad use by the U. S. Public Health Service. *Ken-Ray Brass Products, Inc., Dept. RA, Vermont, Illinois.*

Strapping Machine

The M20L is a semi-automatic power strapping machine. It differs from the maker's automatic models in having only the lower strap chute but shares the same tensioning and sealing head and rugged structure. In using the M20L the operator positions the package, steps on the feed switch, inserts strap in the lower chute, and then steps on the cycle switch to tension and seal the strapping. *Signode Steel Strapping Co., Dept. RA, 2600 North Western Ave., Chicago 47.*



Indoor-Outdoor Lift Truck

Combining high lifting capacity with speed and mobility, the American Pacer Indoor-Outdoor lift truck handles loads up to 8,000 lb to a height of 12 feet. Available with 17-ft and 21-ft lifts, the Pacer can lift 4,000 lb on a 24-in. load center to its full 21-ft height. Speeds up to 30 mph permit rapid movement of the lift truck from site to site. *American Road Equipment Company, Dept. RA, 4201 North 26th St., Omaha, Neb.*

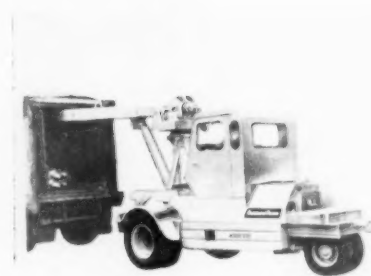
Portable Cleaner

The portable Buck Cyclone cleaner, an adaptation of the stationary model, is specially designed for cleaning railroad cars and locomotives. It replaces hand dusting and sweeping methods. Papers, dirt, dust, etc., are loosened by an air hose and drawn out of the cars by the cleaner. Car-cleaning time, it is said, is cut by more than half, and substantial savings in labor realized. *Ross & White Co., Dept. RA, 400 W. Madison St., Chicago 9.*



Transportation Insulation

PF-330T transportation insulation, after an extensive immersion, freezing, and thawing test by Fruehauf Trailer Co., is said to have shown excellent slump resistance and thickness retention. After a 12-cycle MDT vibration resistance test covering a period of seven weeks, the insulation showed no sagging, loss of thickness, or disintegration, according to the manufacturer. *Owens-Corning Fiberglas Corp., Dept. RA, Toledo 1, Ohio.*



Krane Kar

The new Hammerhead Krane Kar lifts material over obstacles or picks up cargo and places it deep inside a truck van. This rubber-tired model eliminates manual handling of cargo when loading or unloading vans and freight cars and provides the operator with a rugged all-purpose mobile crane capable of simplifying lifting, loading, and transporting jobs. Payload capacity varies from 5 to 10 tons. *Silent Hoist & Crane Co., Dept. RA, Brooklyn 20, N.Y.*

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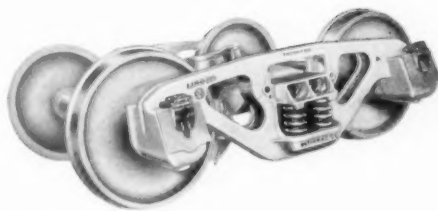
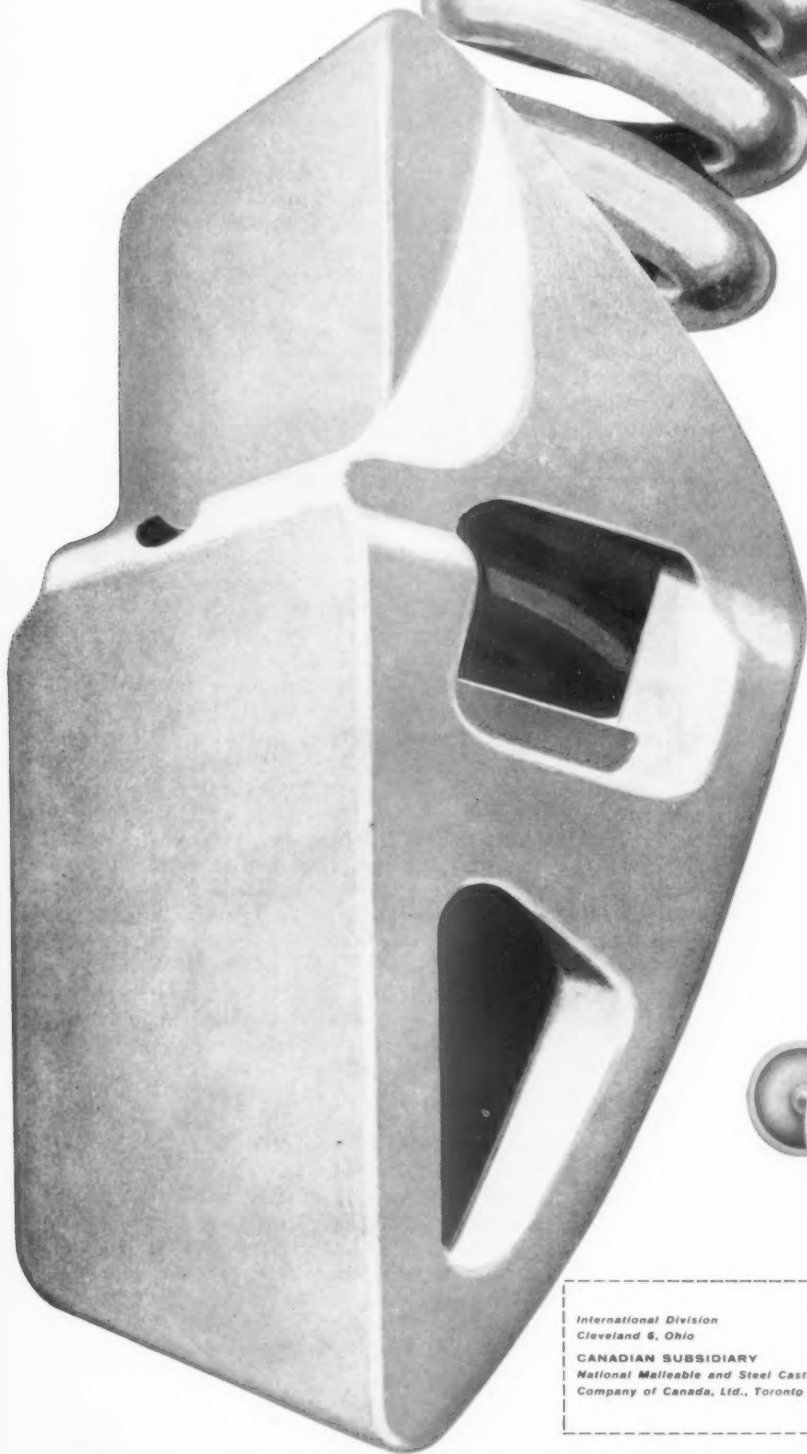
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THE GREAT TRAIN ROBBERY—

Jesse James pulled off some daring railroad raids in his time—but he was a fumbling amateur compared with modern practitioners of the art. Protected—as Jesse wasn't—by laws rigged in their favor, highway and waterway interests have repeatedly raided the rails and have ridden off with great chunks of freight. Today a new raiding party has been formed. Conspicuous in its ranks is James R. Hoffa, president of the International Brotherhood of Teamsters. Here's the what, why and how of the attack that Mr. Hoffa and his fellow vigilantes are mounting against the railroads—and, as the nation's press sees it, against the public interest.

Fighting Back. For more years than they care to remember, America's self-supporting, tax-paying railroads have been "taking it on the chin" from their tax-supported competitors.

Now they have started to fight back. Nourished by the fruits of a billion-dollar-a-year improvement program, railroads are able to bring to bear important new competitive skills.

One of these skills is the ability to load highway trailers "piggyback" on railroad flat cars and haul them in long trains at far less than the cost of moving each trailer individually over crowded highways.

Another is the ability to provide a variety of cars of special design and construction for exclusive handling of particular products or commodities. For example, there are new double-deck and triple-deck cars for transporting automobiles. The triple-deckers can accommodate up to 12 standard-size or 15 compact-size automobiles—twice the number that can be handled on the largest highway trailer. A comparatively short train of 30 triple-decker flat cars can haul 360 new automobiles. The same load, moving by highway, would require 60 of the largest auto transporters plus 60 truck tractors and 60 drivers.

But railroads discovered early that they were not able to use their new competitive skills in the way that counts most: They were not permitted by the Interstate Commerce Commission to charge lower rates commensurate with their lower costs, but were required instead to hold a "rate umbrella" over their principal competitors.

Freedom to Compete. Three years ago the railroads took their case to Congress—and won, over the strenuous objections of trucking and water carrier interests. In the Transportation Act of 1958, Congress gave the ICC this direction:

"Rates of a carrier shall not be held up to a particular level to protect the traffic of any other mode of transportation, giving due consideration to the objectives of the national transportation policy declared in this act."

Today trucking and waterway interests, unable to cope with new railroad technology in open competi-

tion, are pressuring Congress to rescind its 1958 action and to require railroads again to hold a "rate umbrella" over their competitors. This time, they are supported, if not led, by James R. Hoffa and his International Brotherhood of Teamsters.

Mr. Hoffa apparently embraces the theory that fallacies repeated often enough eventually come to be accepted as the truth. For example:

HOFFA: "... the railroad industry selects a very lucrative market of the trucking industry, such as the hauling of cars. It goes to the ICC, and because this so-called regulatory agency is pro-railroad oriented, the railroads are able to obtain discriminatory rates."

FACT: The implication here is that the ICC allows railroads to charge rates that are unduly low in relation to the cost of providing piggyback service. Yet in another statement, Mr. Hoffa acknowledges that the average piggyback car earns about seven times more revenue a year than the average box car and concludes: "These figures illustrate what a lucrative operation piggyback really is."

HOFFA: "... in many instances railroads are piggybacking the expensive Cadillac automobiles at rates cheaper than those they charge on sand and gravel."

FACT: On a carload of automobiles shipped piggyback from St. Louis to Dallas (Irving), Texas, (a typical movement to which Mr. Hoffa refers) the railroad receives \$480 per car. On a carload of sand and gravel between the same two points, the railroad receives only \$167.30 per car.

Strange Theory. Most newspapers, giving Mr. Hoffa the benefit of doubt, say his objective is to protect Teamster jobs. But, as the Omaha Evening World Herald puts it: "Blind admiration of employment as a goal in itself, apart from the usefulness of productivity of work . . . is one of the strange theories which tend to weaken the enterprise system and which could eventually destroy it. . . . The logical conclusion to this line of thought is that Soviet Russia's system of agriculture is better than America's because it keeps half the population at work on farms doing a job which American farmers do much better with one-twelfth the manpower."

In any event, notes the Aiken (S. C.) Standard & Review, the Hoffa plea "won't get much sympathy from some 450,000 rail workers who have lost their jobs largely due to truck competition."

Other newspapers suggest that Mr. Hoffa may have less noble motives. Says the Joplin (Mo.) Globe: "It isn't difficult to figure out why Teamster Boss Jimmy Hoffa is upset by the growing practice among railroads and shippers of 'piggybacking' freight. . . . It threatens to play hob with his boasted plan to gain a monopoly stranglehold on the nation's transportation by land, sea and air."

And the Milwaukee Journal cautions: "Hoffa isn't one to wait for slow and uncertain congressional re-

lief. . . He turns immediately to use of raw power, in every form, to force the decision he wants, regardless of harm to others—including hurt to union labor generally."

What "raw power"—and in what forms?

Extortion? The Fort Worth Star-Telegram, observing that Mr. Hoffa has "abandoned all semblance of ethical conduct," supplies this illustration: "The Teamsters' union extracted from the trucking industry a promise to pay the Teamsters \$5 for every truck trailer it loads on a freight car. The money does not represent a payment for any service performed by the union for its members. Since the pledge was made in the face of the union's ability to strike and tie up transport throughout the region for an indefinite period, the \$5 fee could be described as an extortion pay off."

Another example is provided by the Bethlehem (Pa.) Globe-Times: "In a heartless pressure play, Hoffa has called upon the 1,700,000 members of the Teamster union, their relatives and friends, to refuse to buy new automobiles unless proof is offered that the vehicles were transported from factory to dealer by truck, not by rail. This is a boycott, pure and simple, and it demonstrates the viciousness of the man. . . ."

Still another tactic—the creation of "front organizations with impressive letterheads"—was described by the New York World Telegram and Sun. One such letter warned Ford dealers that "steps" would be taken against those continuing to use the new rail service.

Finally, considerable violence has been directed against piggyback shipments, including the pouring of acid on automobiles and rifle shots through automobile windows. But of course, as the Milwaukee Journal points out, "Hoffa indignantly denies that he or his teamsters know anything about that."

Turnabout. The nation's newspapers make the significant point that railroads, in giving improved service at lower cost, are simply using the same competitive methods which trucks used in taking traffic from railroads in the first place.

The Tampa Tribune puts it this way: "Truckers grew to their present size—and helped Hoffa to grow to his—by hauling goods cheaper or faster than the railroads. Shippers benefited thereby and so did the ultimate consumer. In the process, many existing or potential railroad jobs must have been wiped out by the shift of freight from rails to highways. Did Mr. Hoffa weep for these unemployed? We cannot recall the splash of his tears."

One of Mr. Hoffa's favorite themes is that continued piggyback growth, besides costing Teamster jobs, will reduce truck use of highways. As a result, he says, gasoline consumption will drop, highway user taxes will diminish, and highways won't get built. Press reaction to this calamity howling may have been something less than Mr. Hoffa expected.

The Clinton (Mo.) Democrat, noting that piggyback service is expected this year to shift up to a million truckloads of freight from congested streets and highways to railroad tracks, commented: "Hallelujah!"

"As to the motoring public," observed the Toledo Blade, "it's not hard to guess where its feelings in the matter lie, given some hope that the stream of big, cumbersome haulways may be thinned out a bit over the highways and thoroughfares."

Public Interest. Where does the public interest lie—as opposed to the Hoffa interest?

Says the Florence (S. C.) News: "The shipper—and the general public in the final analysis—deserves to get the most freight transportation for his dollar. Jimmy Hoffa has no right to deter the public interest."

The Providence (R. I.) Bulletin elaborates: "The trucks are more efficient on short hauls right up to the shipper's loading platform, but the rails are more efficient on the long hauls of 100 miles or more. The piggyback scheme is a sensible blending of these capabilities that puts both trucks and rails to work."

The Charlottesville (Va.) Progress capsules the advice that scores of newspapers have offered Mr. Hoffa: "We suggest that Hoffa cease his whining and that the trucking industry cast about for ways to fight back with legitimate methods. . . ."

Mr. Hoffa has shown no disposition to take this advice. His number one goal remains the repeal of the 1958 law that was intended to relieve railroads of the necessity of holding a "rate umbrella" over their competitors. This he expects to achieve through passage by Congress of S. 1197 (the Bartlett bill).

If enacted, this bill would not only turn back the clock to the conditions that existed before 1958; it would make conditions far worse. Before 1958, determination of whether or not to consider the effect of proposed rates on railroad competitors was discretionary with the ICC; the Bartlett bill would **require** such consideration.

Will Hoffa Succeed? The Boston Herald feels that his chances are good: "This is one more of the issues that have come up over the years that have concerned the competitive position of the railroads. Mostly these issues have gone into decision against the railroads. Can we expect anything different on this one?"

Other editors are more hopeful that common sense will prevail. Says the Joplin Globe: ". . . Since Jimmy was able to purge only one of more than 50 congressmen he set out to liquidate politically in last November's election, he may not swing as much weight as he thinks on Capitol Hill."

Railroads agree that Mr. Hoffa's chances of pulling off the "great train robbery" are slight. But they're taking no chances. As one industry spokesman put it last week, "We'll be 'riding shotgun' for as long as the threat lasts."

What YOU can do

Less than six weeks after the railroads called upon Congress for action to head off a "major crisis" in the industry (RA, Mar. 20, p. 9), the carriers have been pushed into a defensive position.

The Senate Commerce Committee, headed by Sen. Magnuson, has started the so-called Bartlett bill (S. 1197) along the road to eventual passage or defeat. Public hearings have now been scheduled. This bill, and one like it in the House of Representatives (HR 5937), would roll back the limited pricing freedom which the railroads obtained in the Transportation Act of 1958. The legislation, railroad men contend, would actually impose more stringent rules than those in effect prior to 1958.

It is still too early to predict how the Bartlett bill will fare; whether it will clear the many Congressional hurdles and eventually reach the White House for President Kennedy's approval or veto. The men pictured on these pages will have a lot to say about that.

Meanwhile, the fact that the bill has reached the hearing stage suggests two things about modern legislative tactics:

(1) Sometimes you can win merely by seizing the initiative and managing, in the long run, just to hold your own. If the Bartlett bill passes, trucking and waterway groups will benefit. Even if it fails to pass, they will score a partial victory. Railroads will have lost valuable time. As long as they are diverted to defending the limited freedom they now have, they cannot devote full attention to the "Four Freedoms."

(2) Legislative procedure is a power play, with opposing sides mustering arguments, letters and votes for their points of view. The game begins even before proposed legislation is introduced; it continues all the way to the final vote. Thus the railroads are now seeking the support of employees, suppliers and customers

as they skirmish against Sen. Bartlett's proposal.

The maneuvering in the Bartlett bill case is a timely illustration of how Congress operates and how laws are generally handled. It may be elementary political science, but railroad legislative men say the matter is by no means elementary to them.

Requests have come to Railway Age, for example, to spell out the "normal" route that a bill travels once it is introduced in the Senate or House. In outline form, legislation runs a course like this:

When a bill is introduced, in either chamber, it is referred to the appropriate committee. In the case of a transport bill, this usually means the House or Senate Commerce Committee.

The committee schedules public hearings, the timing of which may vary anywhere from a few days later to months later. After hearings the committee may amend the bill, or even rewrite it completely. The committee can, and sometimes does, "pigeonhole" bills. Such bills never get beyond the committee, which in itself suggests something of the power of chairmen such as Sen. Magnuson and Congressman Oren Harris.

Assume, however, that a bill is reported favorably by the committee. In the Senate, the majority leader (Sen. Mansfield), calls the bill for debate at his discretion; in the House, the Rules Committee (Rep. Smith) handles the calendar. Bills have been known to get stuck there.

But if all goes normally, a bill will eventually get to the floor for debate. Either Senate or House may kill the bill, of course; or they may amend it again. If that happens, the differences in the House and Senate versions are referred to a conference group comprised of members from both sides. This group irons out the differences, the revised version is re-passed by both Houses, and the bill is ready to go to the White House.



SENATE MAJORITY LEADER Michael J. Mansfield (D., Mont.) runs legislative docket in Senate.



HOUSE SPEAKER Sam Rayburn (D., Tex.) wields strong influence on legislation in 87th Congress.



SENATE MINORITY LEADER Everett McKinley Dirksen (R., Ill.) heads Republican opposition in 1961.



HOUSE MINORITY LEADER
Charles A. Halleck (R., Ind.) is counterpart of Dirksen on House side.



CHAIRMAN of House Rules Committee, H. W. Smith (D., Va.) has held this key post since 1955.



CLARENCE J. BROWN (R., Ohio) is ranking Republican member of House Rules Committee.



CHAIRMAN of Senate Commerce Committee, Warren G. Magnuson (D., Wash.), fills key Senate job.



SENATOR GEORGE A. SMATHERS (D., Fla.) heads Commerce Committee's surface transport work.



ANDREW F. SCHOEPPEL (R., Kans.) is ranking Republican member of Senate Commerce Committee.



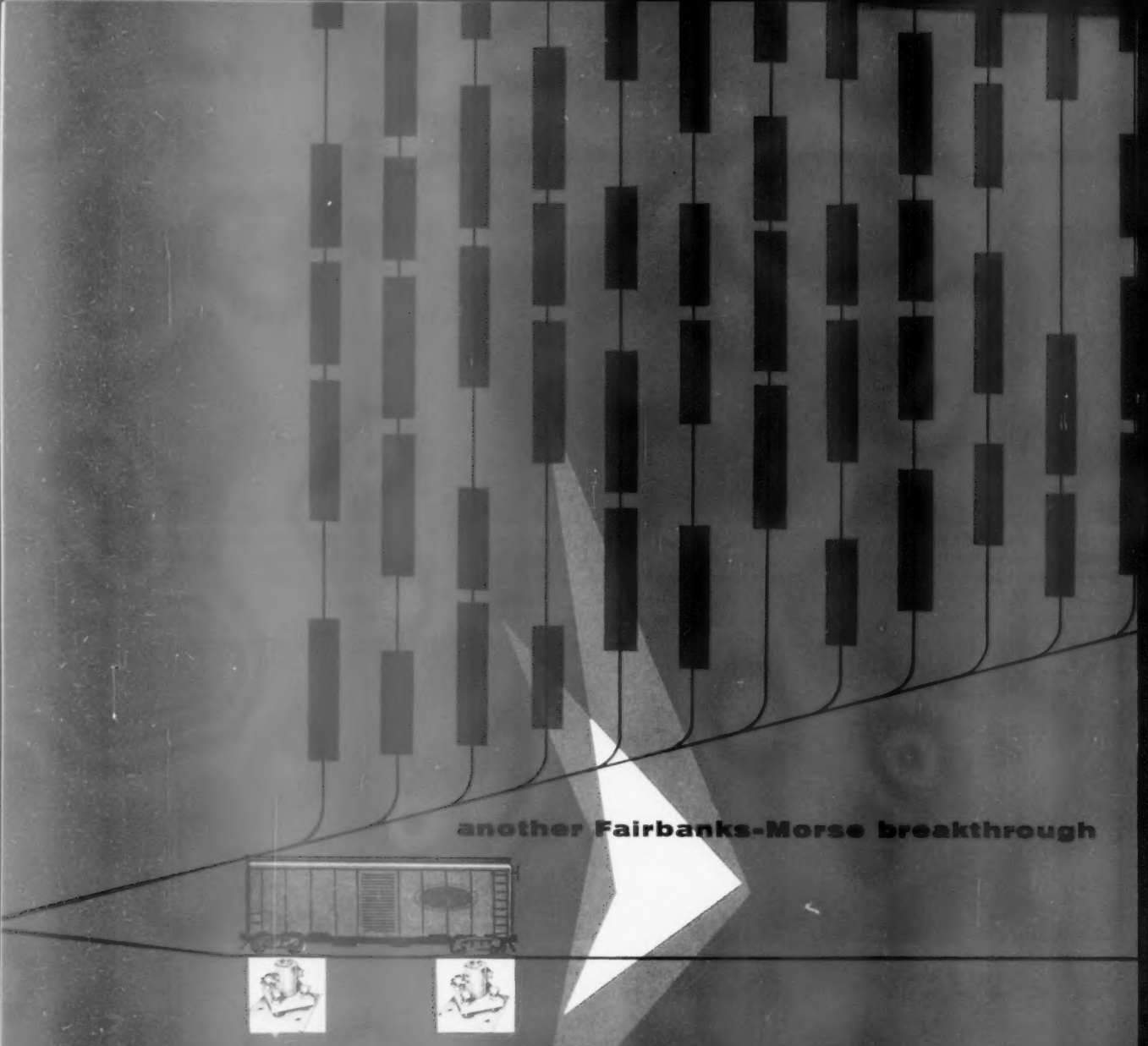
INTERSTATE COMMERCE COMMITTEE Chairman, Oren Harris (D., Ark.) is top transport man in House.



JOHN BELL WILLIAMS (D., Miss.) has subcommittee role in House that parallels Smathers' job in Senate.



RANKING minority member of Harris Interstate Committee in House is John B. Bennett (R., Mich.)



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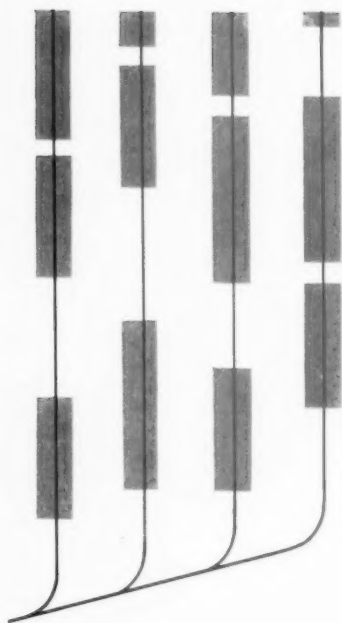
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MAINTENANCE DEBATE

(Continued from page 16)

started working these yards in January. . . . This year we obtained three-and-one-half extra months operation out of these machines."

WM uses unit exchange of parts on some smaller equipment items, Mr. Johnson said, but "too many times the expense of setting up an adequate shop at another point, or even in a large truck cannot be justified, nor can it be proven that this is an economical way of doing this type of work. Some railroads who use unit replacement have mechanics who are salaried. Therefore, they can work them on Saturday or Sunday without paying overtime. On our particular railroad, our mechanics are paid on an hourly basis; therefore, to do a unit exchange over a weekend would involve time-and-one-half or double time. Thus, with the expense of this labor, we cannot justify the use of the unit exchange system."

Noting that the unit exchange system requires "a large truck, which in a sense must be a small workshop," Mr. Johnson added that even so, "In field repairs, you never have sufficient parts to do everything that should be done."

The Case For Field Repairs

Paul Martin, methods engineer, New York Central, presented the case for field maintenance. "The best way to obtain the ultimate in production from a mechanical gang on a single unit, be it a crane, bulldozer or power wrench, is to keep them in the field and operating properly," Mr. Martin said.

Mr. Martin listed five points necessary for a successful field maintenance program. Needed, he said, are:

- Extra units for machines, such as engines, tamping heads and transmissions.
 - Field repair trucks operating out of the main repair shop with shop personnel and free to travel and work anywhere on the system.
 - Local-mechanic repair trucks fully equipped to permit the repair of day-to-day requirements and to augment a preventive maintenance program.
 - A fuel and lube truck so designed as to take care of all fuel, lubrication and exterior cleaning of the various machines in a mechanized gang.
 - A well established flow of communication from field to supervision to shop, including a reverse flow also.
- "Package units for efficient field repair of machines," Mr. Martin said, "can be obtained by direct purchase, by reclaiming units from machines to be retired and from machines that have been damaged. . . . Units returned to

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MAINTENANCE DEBATE

(Continued from page 27)

the shop by the system field repair trucks are usually worked on by the same truck personnel, if they are not recalled into the field," he added. "Any field maintenance program will suffer in efficiency if faulty units are not promptly returned to the shop for repair and storage for future use."

The "backbone" of a well organized field repair set up, Mr. Martin said, is an organization that provides "good, well equipped system field repair trucks plus efficient and trustworthy personnel." NYC favors a truck equipped with a Pitman crane plus acetylene and electric welding outfits, Mr. Martin said, adding, "A novel addition to the truck is a well built work bench, complete with vise and small anvil. This was the request of one of the field men, and usually it is the first item unloaded when they set up their open air shops. Two mechanics operate this truck and their work week is altered so they work week ends when the machines and gangs are tied up. Their trip is so planned to have them present when the machine in need of repairs is tied up Friday night. They are assisted by the local or gang mechanic, and, in some instances, the operator stays to help. When possible the machine would be given a good exterior cleaning the previous night by the fuel truck operator, whose truck is equipped with the cleaning fluid and tools. After repairs are completed and the machine tested, the faulty units are loaded on the truck for the return trip to the shop."

"The distinct advantages in field maintenance of work equipment," Mr. Martin concluded, "are the additional hours of production [gained] by keeping the machine in the field and the absence of time lost in shipping the machine to the shop and returning it to the field."

Willard Almy, engineer, maintenance of way, Jersey Central Lines, retiring president of club, summarized the discussion following the talk by pointing out that situations, particularly with regard to agreements, differ on individual railroads. When Mr. Almy asked for a show of hands of those present who favored one method over the other, those favoring field maintenance were in a majority.

New officers elected for the 1961-1962 club year are: president, J. W. Cummings, supervisor of work equipment, D&H; first vice president, P. J. Harnish, regional engineer, PRR; second vice president, J. J. Quinn, superintendent track and structures, NYCTA; secretary-treasurer, R. H. Craib, Railway Age.

Kennedy Aide Promises RR Help

► **The Story at a Glance:** The undersecretary of commerce for transportation, Clarence D. Martin, Jr., thinks the outlook for common carriers is now "bleak," and his office is preparing recommendations for Congressional action. Recommendations being "seriously considered" would include calls for "realistic tax and depreciation policies for the railroads, along with a declaration that unjust and undue discrimination in state and local taxes be declared unlawful as a burden on interstate commerce."

Railroads will like this, and they'll also like Mr. Martin's calls for adequate user charges on publicly-provided transport facilities and for "reexamination" of those provisions of the Interstate Commerce Act which leave some for-hire truck and water transportation free from regulation. But the railroads won't like Mr. Martin's suggestion that "rate policy should be reexamined," because the common carrier transportation industry "has been engulfed in a wave of rate-cutting."

Some of the Kennedy Administration's thinking about transportation problems was pointed up last week in an address by Clarence D. Martin, Jr., undersecretary of commerce for transportation. Mr. Martin spoke at a May 2 luncheon session which was part of the 49th annual meeting of the Chamber of Commerce of the United States in Washington.

"It's no secret," he said, "that this [transportation] business is in trouble—real trouble."

Mr. Martin went on to refer to the commuter-service problem and to the decline of railroad passenger business generally. As to the latter, he said: "Investors are losing millions annually in our dying rail passenger services—while unused on our drawing boards are technological improvements that might make short and medium-haul rail passenger services competitive or even superior to short-haul air services."

Mr. Martin also referred to government aids to transport, notwithstanding which the industry "is still in trouble," as he put it. As to "what is wrong," he suggested the simple answer is "we don't know where we want our transportation system to take us, and we have no plans for getting there." The great need is for "leadership," Mr. Martin suggested, and he thinks it should come from the Executive Department of the government.

It's that leadership responsibility which prompted Mr. Martin to put his

office to work shaping up recommendations for Congress. From his reference to the consideration being given to "realistic tax and depreciation policies for the railroads," and to his idea that rate policy should be "reexamined," the undersecretary went on to call the Interstate Commerce Act's present exemption provisions "a virtual crazy quilt."

As to user charges, he noted that a policy of assessing them for motor carriers and air carriers "has been reiterated by President Kennedy" in recent messages to Congress. "Serious consideration should be given to extending this policy to other areas," Mr. Martin added.

Presumably this was a call for consideration of waterway tolls. If it reflects Administration thinking, the statement would indicate a change in President Kennedy's attitude. As Candidate Kennedy, the President last fall came out for toll-free waterways (RA, Oct. 31, p. 10).

Undersecretary Martin also referred to the Task Force on Transportation Policy which was established recently in the Department of Commerce with Wilfred Owen of Brookings Institution as its head. The urban transportation problem is the group's first assignment, but it will also go in for other studies of rail, highway and water transportation, Mr. Martin said.

Such studies, he added, will include consideration of "further steps to promote containerization and other systems

to foster more economical through movement of traffic among different modes." The undersecretary also said:

"The Task Force will approach diverse industry problems in terms of the competitive roles of the industries. Instead of looking at rail freight, trucking, barge movements, and intercoastal systems separately, the group will consider the land movement of freight in an overall system. . . . Instead of looking at airlines, buses and rail passenger service, we will look at the intercity passenger market. Underlying all our efforts will be the search for technological improvements and ways to introduce those improvements into the transportation system."

"In short, the entire transportation system—and the transportation needs of the country—will be viewed as a single system. It will be viewed as a single system to be developed by government promotional and research programs, tax programs, and regulatory programs—all coordinated to give the country the fastest, most efficient and the safest possible transportation system at least cost to the government—at the lowest economical rates to the user—and at a reasonable profit to the investors in the private companies that are the foundation of the entire system."

This does not mean "any abrupt changes in policy," Mr. Martin said in closing. He added that "the business community will be consulted at every stage in our reexamination."

MERGERS: NO JOB FREEZE NEEDED *(Continued from page 9)*

as the Erie-Lackawanna merger. It proceeded, however, to call that point irrelevant, "since the statute makes no distinction based on the type of transaction considered, and it is apparent that the underlying principle remains the same whether 100 or 1,000 employees are affected." Summing up, the court said:

"In short, we are unwilling to overturn a long-standing administrative interpretation of a statute, acquiesced in by all interested parties for 20 years, when all the signposts of Congressional intent, to the extent that they are ascertainable, indicate that the administrative interpretation is correct."

Dissenter Douglas would have resolved the "ambiguity" as to Congressional intent in favor of the employees.

He would read the Harrington amendment's final version as meaning that "nothing less than four-year employment protection to every employee would satisfy the act, though not necessarily a four-year protection in his old job."

"In a realistic sense," the dissenting opinion added, "a man without a job is 'in a worse position with respect to' his 'employment,' though he receives some compensation for doing nothing. . . . The toll which economic and technological changes will make on employees is so great that they, rather than the capital which they have created, should be the beneficiaries of any doubts that overhang these legislative controversies when they are shifted to the courts."



Santa Fe Moving Containerized Mail

Santa Fe and the Post Office Department are handling mail in experimental service, Kansas City, Mo., to Richmond, Calif., in two types of equipment—these 8 by 8 by 18-ft aluminum containers obtained by Santa Fe from Brown Trailer Company; and Flexi-Van containers. Test movements of each type of container system have been

scheduled for departure from Kansas City every sixth day, so that the effectiveness of the operation can be measured under varying mail conditions which prevail on different days of the week. The Brown Trailer containers are mounted on a specially-equipped 79-ft flat car with six-wheel trucks. Loading is by fork lift truck. (RA, May 1, p. 36).

Commuter Needs Outlined

Improvements in four major areas—taxation, regulation, labor relations and public understanding—will be needed if commuter railroads are to be kept alive and in reasonably good health, delegates to the 27th National Planning Conference were told last week in Denver.

"Obviously, the best solution is a complete change in public attitude toward the commuter roads," C. G. Massoth, public relations officer, Illinois Central, declared. "Community leaders must come to appreciate that the forces which have hurt commuter railroads are forces largely beyond the control of railroad management. . . . The great cities and the nation will be enormously better off if the commuter roads are permitted to operate with a fair return on investment. In this way, the tax base will be protected; the undoubted skill of rail management will be retained; and the fluidity of traffic needed by our great cities will be possible to realize."

Subsidy or government backing of loans, he said, won't get rid of the basic ills plaguing commuter operations, even though "the eastern railroads and the communities they serve seem unable to escape some form of govern-

ment payment for the time being to keep trains running." And as for government-sponsored loans at low interest rates to permit commuter-road modernization: "These loans may be necessary as a temporary crutch, but I fail to see that they offer any permanent help. After all, if the commuter railroads have a good future, they will have no trouble raising money for new equipment."

Far better in the long-range view, Mr. Massoth indicated, would be an enlightened public attitude which would recognize the vital nature of rail commutation service and lend its support to sought-after improvements in the areas of taxation (which is often inequitable, as well as burdensome); regulation (where delay piles upon delay and managerial decision-making is frustrated); and labor relations (where more automation could reduce wage costs that already eat up about two-thirds of the commutation revenue dollar).

IC's PRO noted that "the big breakthrough in costs can only come through labor-saving devices. Technologically, it is now possible to operate with fewer ticket clerks, gatemen and trainmen. Subway trains without train per-

sonnel are being operated experimentally by remote control in New York. [But] railroads will need the support of regulatory bodies and the support of the community when they seek to install electronic devices in place of present methods. It's understandably difficult for labor unions to see the necessity of reduced labor costs, but the simple fact is that railroads that are going broke cannot continue to be good employers."

Walrath: It's Time for Action, Not More Studies

The common carrier system is faced with a battle for survival, Interstate Commerce Commissioner Laurence K. Walrath told the spring meeting of the Customer Relations Council of American Trucking Associations, in Washington.

"I need not detail for this audience the reasons for general concern," Commissioner Walrath said. "They are revealed in every trade journal. Carrier costs and rates continue to go up—and the more desirable traffic slips away with accelerating speed. Restriction and discontinuance of unprofitable services necessarily follow. The net result, from the shipper's viewpoint, seems to be that he must pay more and more for less service if he continues to rely on regulated carriers for his freight movements. . . . It is completely understandable that . . . those shippers who can do so are looking for alternatives."

"Yet," the commissioner warned, "this only hastens the day when a choice must be made between loss of important segments of our national transportation system or the revolting alternative of direct subsidy or nationalization of our principal arteries of commerce. I conclude, therefore, that while users of transportation services cannot be blamed for turning to proprietary and exempt carriage to achieve their own 'Competitive Selling in a Changing Market' [this was the theme of the ATA meeting] they cannot afford to be complacent while doing so."

Commissioner Walrath went on to say that "we cannot afford much more time for study—constructive action is imperative." He cited the \$9-million deficit run by Class I railroads in the first two months of 1961.

He concluded by quoting another ICC Commissioner, Rupert L. Murphy, who urged shippers last February to "resist the temptation of the many cut-rate, evasive schemes for moving freight along the fringes of the law instead bringing aggressively to the authorized carrier's attention the specific type and quality of service you need and demand."

Market Outlook

Carloadings Rise 2.0% Above Previous Week's

Loadings of revenue freight in the week ended April 29 totaled 544,356 cars, the Association of American Railroads announced on May 4. This was an increase of 10,921 cars, or 2.0%, compared with the previous week; a decrease of 98,972 cars, or 15.4%, compared with the corresponding week last year; and a decrease of 131,838 cars, or 19.5%, compared with the equivalent 1959 week.

Loadings of revenue freight for the week ended April 22 totaled 533,435 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CARLOADINGS For the week ended Saturday, April 22			
District	1961	1960	1959
Eastern	78,477	88,598	96,656
Allegheny	85,871	114,726	124,701
Poconantas	46,188	54,278	54,278
Southern	109,987	119,463	115,137
Northwestern	56,524	90,266	90,125
Central Western	107,756	108,540	117,917
Southwestern	48,632	49,539	50,536
Total Western Districts	212,912	248,345	258,578
Total All Roads	533,435	625,410	649,319
Commodities:			
Grain and grain products	48,791	46,046	47,604
Livestock	4,522	4,623	5,528
Coal	97,003	107,811	106,545
Coke	5,797	9,655	11,296
Forest Products	37,591	39,664	38,892
Ore	15,607	59,324	48,843
Merchandise I.c.l.	29,883	36,759	42,225
Miscellaneous	294,241	321,528	348,386
April 22	533,435	625,410	649,319
April 15	522,386	622,663	634,848
April 8	505,930	600,747	619,268
April 1	505,917	597,607	590,592
March 25	500,333	601,085	604,392
Cumulative total, 16 weeks ..			
	7,944,935	9,425,569	9,461,188

PIGGYBACK CARLOADINGS.

—U. S. piggyback loadings for the week ended April 22 totaled 11,523 cars, compared with 10,406 for the corresponding 1960 week. Loadings for 1961 up to April 22 totaled 168,461 cars, compared with 165,904 for the corresponding period of 1960.

IN CANADA.—Carloadings for the seven-day period ended April 14 totaled 61,538 cars, compared with 59,668 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
April 14, 1961	61,538	24,376
April 14, 1960	67,467	28,779
Cumulative Totals		
April 14, 1961	867,562	369,841
April 14, 1960	975,861	443,806

New Equipment

FREIGHT-TRAIN CARS

► *Great Northern.*—Ordered 20 2,600-cu-ft Airslide covered hopper cars from General American for early autumn delivery. GN also announced start of construction of 500 50-ft, 50-ton box cars at St. Cloud, Minn., company shops. Cars will be equipped with roller bearing trucks and combination 8-ft plug and 6-ft sliding doors. Shop will work on a seven-car-per-day production schedule. In addition, GN plans to send 600 existing 40-ft box cars through St. Cloud for rebuilding.

► *Maine Central.*—Ordered 200 50-ft box cars from Pullman-Standard at a cost of more than \$2,000,000. Cars will be equipped with 9-ft aluminum doors, specially designed draft gears and roller bearings. Delivery will begin in June.

LOCOMOTIVES

► *Santa Fe.*—Ordered 50 2,000-hp diesel locomotives as replacements for units acquired almost 20 years ago. Builders were not immediately specified.

► *Thailand.*—Will purchase an estimated 65 main-line and switching diesel locomotives as part of a six-year modernization program financed partly by a \$22-million World Bank loan. Program also includes acquisition of 1,650 freight cars, installation of signaling and telecommunications equipment at 100 stations.

SPECIAL

► *Reading.*—Purchased a Model ERSC-40 "Hi-Reach" truck with a multiple crew cab, line body, auger head, and adjustable work platform for catenary inspection, maintenance, tunnel work and setting line poles, from the Elliott Manufacturing Co., Omaha, Neb.

► *Toledo, Peoria & Western.*—Ordered 31 64/12 Motrac radio units from Motorola for installation in locomotives and cabooses.

New Facilities

► *Japanese National Railways.*—Will use proceeds of an \$80-million World Bank loan to help finance construction of the new 311-mile, high-speed Tokaido Line between Tokyo and Osaka. Qualified foreign contractors and manufacturers are being invited to submit bids both for major construction work and supply of rolling stock. The new electrified railway will have standard gage double track throughout. Self-propelled railcar sets will be employed in both passenger and freight service. Maximum planned speeds will be 125 mph for passenger trains and 94 mph for freight trains. The line is scheduled to be completed in 1964.

► *Terminal Railroad Association of St. Louis.*—Contracted with Aerojet-General Corp. for design and installation of a \$2-million automatic mail-sack sorting system for St. Louis Union Station. According to TRRA President G. W. Maxwell, the system will incorporate the latest concepts in materials handling with advanced theories of systems engineering, operations research and linear programming.

Working Convention . . .

Of all the annual railroad gatherings, one of the "workingest" is that of the American Association of Railroad Superintendents. They will meet at Chicago, June 6, 7 and 8, and if this year's meeting matches those of previous years, a wealth of knowledge and experience will be swapped between officers of some 40 to 50 roads that are likely to have representatives there.

J. R. McMillan, vice president, CN, Winnipeg; R. A. Emerson, vice president CPR, Montreal; and C. D. Buford, vice president operations and maintenance, AAR, will be among those to address the superintendents. A feature will be an inspection tour of the AAR Research Center at Chicago.

A program of committee reports that should whet any operating man's appetite will include:

Where Are We Going with Piggy-

back Containerization?

Dependable Versus Advertised Freight Schedules.

Effective Safety Action.

Building An Effective Organization.

Expediting Traffic Through Yards and Terminals.

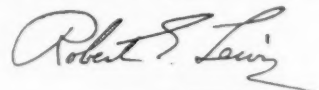
Report of Standing Committee on Rules.

There will also be a mock discipline investigation with Chicago members taking management's position, St. Louis members representing labor.

What has happened to railroad men who have been active in this association? Whether it's cause or effect, most have moved up. A quick study shows that of 97 who attended the convention with title of superintendent ten years ago, 41—as might be expected—have retired or deceased or left railroading. Of the re-

maining 56, exactly 50% have been promoted. Six are vice presidents, three general managers, and 19 hold a variety of posts including assistant vice presidents, assistant general managers, a chief personnel officer, etc. Many of the trainmasters who attended in 1951 are now superintendents or general superintendents, most of the assistant superintendents are now superintendents (one is a president and general manager), and one of the general superintendents is now president of one of the largest Class I railroads.

So—plan ahead! June 6, 7 and 8 are the dates. Operating personnel can spend a few days that will widen their scope for many years to come.



PUBLISHER

Critics Hit Chicago Transit-Aid Plans

Directors of the Chicago Transit Authority met stiff opposition last week as they outlined broad legislative proposals seeking state tax subsidy to improve and expand rapid transit facilities in the Chicago area.

One of six bills drafted by the Board for presentation to the state legislature would empower the Transit Authority, if approved by the voters in a referendum, to issue interest-bearing general obligation bonds for capital improvements only. Counties could use funds provided to purchase the ailing Chicago North Shore & Milwaukee and to reactivate the Chicago, Aurora & Elgin interurban line for operation by the CTA. The funds could also be used to construct a \$39,000,000 median-strip rapid transit facility in the newly opened Northwest Expressway.

Much of the opposition to the program stemmed from the plan to back up the bond issue with a .05% real estate tax. While the property tax is a constitutional necessity, the Transit Board plans to abate the tax by levying a county-wide cent-a-gallon gasoline tax to raise \$12,000,000 annually to pay principal and interest on the bonds.

The Transit Board's suggestion that part of the proceeds of the gasoline tax be used to defray operating deficits and maintenance of newly acquired facilities also met with criticism.

Other bills in the legislative package seek authority for the CTA to accept grants and loans in aid of mass transit and provide matching funds when necessary to qualify for such grants; authority to contract with the Board of Education and private school officials for reimbursement of up to 50% of student transportation costs—payment would come from the State School Fund; and extension of CTA operating territory limits to include seven townships in Cook County not now covered by the Authority.

Four major civic organizations, including the Chicago Association of Commerce and Industry, had earlier proposed a much less ambitious plan to assist mass transit in the Chicago area. These groups endorsed a \$28,000,000 subsidy for capital improvements to existing CTA facilities to be derived from a balanced tax formula based equally on increased property, gasoline and sales taxes.

The groups failed to approve construction of the Northwest Expressway median-strip transit route pending a transit study of the proposed extension by Parsons, Brinckerhoff, Quade & Douglas, consulting engineers. The \$100,000 study of transit needs in Chicago's northwest area will be underwritten jointly by the CTA and Chicago & North Western.

At week's end Chicago Mayor Rich-

ard J. Daley was attempting to get the Transit Board and the civic groups to agree on a single legislative program to "give some kind of assistance to the CTA"

Builder Withdraws System For Electronic Reservations

The electronic reservation system that promised greater efficiency and better service to railroad passengers has been withdrawn by the manufacturer from three railroads involved—Santa Fe, New York Central and New Haven.

A spokesman for Teleregister Corp., which developed the system, said design and development work begun in 1955 took considerably longer than anticipated by the company or the railroads.

The system consisted of keysets with pushbuttons at the ticket counter, which were connected via communications circuits to a central magnetic drum and data processing equipment. The push-buttons were designed to request and reserve Pullman space and chair-car seats in a matter of seconds.

Santa Fe placed the system in service in 1959 (RA, July 20, 1959, p. 20). New Haven operated the system in tandem with its manual reservation system. NYC never "accepted" the system, but units had been installed at Grand Central Terminal in New York for training of reservation clerks.

Milwaukee Wary of GNP&B

► **The Story at a Glance:** The Milwaukee Road has stepped into the Great Northern Pacific & Burlington unification case—not as an intervenor for or against, but rather as a strong advocate of the imposition of a half-dozen special conditions in the event the merger is approved.

Initial reaction from Great Northern and Northern Pacific: The Milwaukee's action "was not unexpected." But the two roads had no comment on the Milwaukee's specific proposals. "The merits of the contentions," GN and NP said, "will, of course, be decided by the Commission."

Meanwhile, the GNP&B proposal won its first constituent-road stockholder approval. Northern Pacific shareholders voted overwhelmingly in favor of the plan, despite protests from several minority holders regarding the treatment of NP's natural resources and the proposed stock exchange. A week later, Burlington stockholders—Great Northern and NP, principally—added the second vote of approval. GN holders will vote at the road's annual meeting May 11.

Merger of the GN, NP and Burlington, as the Milwaukee Road sees it, demands imposition of "conditions more far-reaching than those prescribed in other [railroad] mergers." In petitioning for leave to intervene in the case, the Milwaukee has set forth six specific conditions aimed at preserving "balanced competition."

The Milwaukee is contending that the GNP&B consolidation "would differ from other railroad mergers in many respects directly affecting the public interest. The differences are most evident in such inequitable practices as restrictive routing through existing gateways, limited access to key terminals, and a system of dual switching charges, all of which are unique to the Pacific Northwest and to this merger."

The Milwaukee concedes that "considerations of efficiency and economy motivate every merger plan, and rightly so." But, the road adds: "Less evident, but more essential to the public interest, is the need to preserve a realistic and effective competitive balance between the merged lines and other existing railroad service. It is principally in this regard that the Milwaukee Road occupies a central and critical position. . . ."

"The Milwaukee Road cannot but recognize the close parallel between

the public interest and its own. Standing virtually alone as a competitive factor in rail transportation in this vast area, the Milwaukee must provide a healthy, competitive balance between itself and the multiplied strength" of the merged GNP&B.

Balanced competition, the railroad contends, "can be preserved only if the Milwaukee is allowed to realize its full service potential in the Pacific Northwest." And, the Milwaukee concludes, it believes the GNP&B merger "will be adverse to the public interest," unless these conditions are imposed:

- Provide shippers a choice of routes via western junctions such as Seattle, Spokane, Missoula, Butte, Miles City and Great Falls, "to enable each Pacific Northwest carrier to compete on equal terms."

- Require GNP&B to grant Milwaukee trackage rights between Longview, Wash., and Portland, Ore. At present, Milwaukee track terminates at Longview, 46 miles from Portland, and "failure to permit . . . access to this key transportation center over the short section of track now owned by Northern Pacific would constitute a wasteful disregard of available transportation facilities and services."

- Require GNP&B to grant the Milwaukee operating rights for a service route to Sumas, Wash., on the Canadian border.

- Establish Billings, Mont., as a station on the Milwaukee, which doesn't now serve the city.

- Abolish dual switching rates in the Pacific Northwest and free industry of all switching charges. As the Milwaukee views it, "in the public interest, and to permit complete freedom in the selection of industrial sites, [the] bewildering and inequitable system of 'dual' switching rates should be abolished and replaced by the system of reciprocal switching charges, not paid by the industries, but absorbed by the line-haul railroad."

- Provide that single line rates apply between points on the Milwaukee and points on the merged GNP&B.

Public Support Asked

The Milwaukee concludes that its "partisan interest in maintaining its competitive position coincides with the public's interest in the preservation of rail competition. . . . The public and its representatives, as well as shippers and their associations, must add their influential voices at ICC hearings to

support these—and probably other—conditions for the preservation of existing rail competition."

GN and NP recalled that when the decision was made five years ago to undertake a merger study, "we anticipated Milwaukee Road concern over the proposal and we were advised several weeks ago of their intention to intervene. Therefore, the company's petition to the ICC was not unexpected."

"The merits of the contentions set forth in the petition will, of course, be decided by the Commission in reaching a decision on the application of Great Northern Pacific & Burlington Lines."

"The provisions of the Interstate Commerce Act dealing with railway mergers give the ICC adequate power to consider the interests of the Milwaukee Road and any other party which may have a legitimate concern with the proceedings. The Commission will consider all factors in determining whether the merger proposal is in the public interest."

The Milwaukee filed its intervention petition just a day after NP shareholders voted approval of the unification plan. The vote—4,425,916 affirmative, 447,279 negative—gave the merger the approval of 73.86% of NP's outstanding stock (totaling 5,992,033 shares). A two-thirds majority—3,994,689 shares—was required.

The vote was light, compared to totals at past meetings (when well over 80% of the outstanding stock has been voted). But a large number of NP shares—about 1,200,000—is held by brokers for their clients, and indications were that some votes may have been delayed in the process of routing proxies and proxy material from company to broker to stockholder and back again. In any event, however, the merger proposal won almost 500,000 votes more than it needed for approval.

And if the vote was light, the attendance wasn't. NP normally gets about 50 stockholders to its annual meeting. For this one, held in the ballroom of a St. Paul hotel, it had approximately 250. Annual meetings in the past have lasted about an hour; this one ran four hours.

The Burlington's meeting, held in Chicago May 3, was more routine. Out of 1,701,033 shares voted on the merger proposition, 1,700,723 were cast for the proposal and 310 against. More than 97% of Burlington stock is owned by GN and NP (48.59% by each).

NYC Proposes Union With N&W

► **The Story at a Glance:** The New York Central, fearful of being frozen out of the eastern merger picture, has hurried to the ICC with two new petitions.

One asks that NYC be dealt into the proposed N&W-NKP-Wabash consolidation—as an alternative to being made a part of the C&O-B&O affiliation, which NYC has also requested. (N&W President S. T. Saunders was inclined to take the proposal lightly.)

NYC also asked the Commission to bring all pending eastern merger and control proposals together for “one comprehensive hearing” in order to “crystallize” the public interest.

“They say that springtime,” commented N&W President Saunders last week, “is the time for young men’s thoughts to turn to love.”

That was Mr. Saunders’ first reaction to a letter from New York Central President A. E. Perlman proposing that NYC be included in the N&W-NKP-Wabash unification.

Mr. Saunders continued:

“It sounds as though Mr. Perlman has been bitten by the love bug rather badly. He says that, if he can’t marry the B&O and C&O, he wants to marry us. Against this background I don’t know whether Mr. Perlman is serious in his proposal.” He added that the request “will be given appropriate consideration and a reply will be made in due course.”

However serious NYC’s intentions may be with respect to N&W, the Central left no doubt last week that it’s seriously concerned over the possibility of being cut off from important sources of revenue if present merger plans of neighboring roads are carried out.

Unless Central is included in one of the two major consolidation plans—C&O-B&O or N&W-NKP-Wabash—“it will be denied the traffic strength to survive as an independent competitor,” the road informed the ICC.

NYC made no secret of the fact that it still thinks an NYC-B&O-C&O combination would be in the best interests of all concerned. But an NYC-N&W-NKP-Wabash tie-up would, in the Central’s view, be a fairly happy alternative. Either combination, as NYC sees it, would produce savings in the neighborhood of \$150 million a year.

More important, either combination would assure NYC of access to the revenue-rich Pocahontas coal fields and Tidewater ports.

“In the proceedings now pending before the Commission, there are pro-

posals to develop two major rail systems serving Central Freight Association and Trunk Line Territory,” NYC told the ICC. “Both of these systems are based on the traffic and revenue strength of the two major Pocahontas lines. [NYC] favors the creation of two competitively-balanced systems within these territories. [NYC] believes that it is essential, in order to assure competitive balance, that each system must have single-line access to Pocahontas coal origins and to the Tidewater ports. Since the Commission’s decision in the Norfolk & Western-Virginian merger . . . there are but two remaining railroads which provide this essential access, i.e., the Norfolk & Western Railway and the Chesapeake & Ohio Railway.”

Central went on to say that it is “burdened with a relatively high proportion of terminal and passenger services and, if it is not included in one or the other of the two systems, it will be denied the traffic strength to survive as an independent competitor to the two systems proposed.”

NYC filed a companion petition asking the ICC to consolidate pending merger and control proposals into a single hearing in order to “determine the requirements of the public interest with all pertinent factors clearly portrayed on a common record.”

NYC noted that these proposals affect the relationships of 16 eastern roads. Directly involved are C&O, NYC, B&O, N&W, Nickel Plate, Wabash, Pennsylvania and Lehigh Valley. Other roads indirectly involved, says NYC, are the Jersey Central, Central Railroad of Pennsylvania, Reading, Western Maryland, Ann Arbor, Chicago & Eastern Illinois, Pittsburgh & Lake Erie and Erie-Lackawanna.

“The scope and magnitude of the changes involved in the proposed transactions in the railroad systems in Central Freight Association and Trunk Line territories is so great that the Commission cannot intelligently frame or soundly evaluate the conditions which it should impose in the several proposed transactions without a full record in each proceeding which will reflect without distortion the public interest in the railway service, competition and financial conditions of the several railroads involved that may result from approval of the proposed transactions.

“Indeed, the several proposed transactions are so interrelated that it may well be impossible to determine what may be proper and appropriate conditions with respect to one transaction without knowledge and determination

of the conditions that are to be imposed in others.”

Meeting reporters on the day the petitions were filed, NYC General Solicitor Robert D. Brooks put it more bluntly:

The question, he said, is “whether to let stronger railroads aggrandize themselves at the expense of weaker roads.”

For Central’s merger-minded neighbors, Mr. Brooks had these words: “Yes, you can have the sugar—but at the price of taking the bitter with the sweet.”

Almond Favors C&O-B&O

On another front, NYC President Perlman failed in a bid to win the support of Virginia Governor J. Lindsay Almond for an NYC-C&O-B&O union. Governor Almond told Mr. Perlman that the principal argument of the Central appeared to be that a three-way merger would accomplish larger savings through elimination of duplicate facilities. He added: “To my mind, benefits to the general public in these times would not arise out of such a substantial abandonment of railroad facilities and the ultimate displacement of a large number of railroad personnel.”

Governor Almond said the proposed C&O-B&O affiliation is “predicated on an entirely different approach to a serious economic problem. The C&O is a successfully operated company with strong resources. This proposed affiliation with the B&O would be a great boon to the latter. . . I am convinced that the affiliation will eventually achieve certain operating economies and will certainly be productive of the rehabilitation of that company [B&O] whose properties are in a deteriorated condition, thus creating superior railroad facilities and jobs.”

Dividends Declared

ATLANTIC COAST LINE.—50¢, quarterly, payable June 12 to holders of record May 4.

CLEVELAND & PITTSBURGH.—Special guaranteed, 50¢, quarterly; 7% regular guaranteed, 87½¢, quarterly, both payable June 1 to holders of record May 10.

GREAT NORTHERN.—75¢, quarterly, payable June 1 to holders of record May 9.

NORFOLK & WESTERN.—\$1, quarterly, payable June 9 to holders of record May 11.

PITTSBURGH, YOUNGSTOWN & ASHTABULA.—7% preferred, \$1.75, quarterly, payable June 1 to holders of record May 19.

READING.—4% 1st preferred, 50¢, quarterly, payable June 8 to holders of record May 18.

UNITED NEW JERSEY RAILROAD & CANAL.—\$2.50, quarterly, payable July 10 to holders of record June 20.

WABASH.—25¢, quarterly, paid April 28 to holders of record April 21.

WEST JERSEY & SEASHORE.—Special guaranteed, \$1.50, semiannual, payable June 1 to holders of record May 15.



Earl F. Requa
NP



Albert V. Casey
REA



M. Stanley Cogan
REA



Hall E. Downey
GRS

PEOPLE IN THE NEWS

AMERICAN REFRIGERATOR TRANSIT CO.—George R. Henderson, general agent, Boston, Mass., appointed eastern general agent, New York, succeeding A. H. Achard, promoted to traffic manager, St. Louis.

BURLINGTON.—James E. McNamara, district passenger agent, Chicago, appointed general agent, New York, succeeding H. A. Schneider, who retired April 30.

Robert E. Dowling, formerly assistant general freight agent, Colorado & Southern, Denver, appointed assistant general freight agent, Burlington, Chicago.

CANADIAN NATIONAL.—H. Harold Wilson, assistant freight traffic manager, Buffalo, N.Y., appointed eastern sales manager, New York, in charge of "off-line" freight and passenger offices in the eastern United States.

CANADIAN PACIFIC.—R. E. Wilkes, assistant general manager of merchandise services, appointed to the new position of manager, highway operations, Montreal.

CHICAGO CAR INTERCHANGE BUREAU-GENERAL MANAGERS' ASSN. OF CHICAGO-CHICAGO RAILROAD PRESIDENTS' CONFERENCE.—Offices, formerly located at 608 S. Dearborn Street, Chicago 5, now in Room 433, Grand Central Station, Chicago 7.

DETROIT, TOLEDO & IRONTON.—Charles L. Towle, chief engineer, elected to the newly created position of assistant vice president and chief engineer.

ERIE-LACKAWANNA.—John R. Heisler, chief signal engineer, Cleveland; George T. Dolan, district sales manager, New Haven, Conn.; and Edward R. Munford, sales representative, Jamestown, N. Y., retired April 30.

LAKE SUPERIOR & ISHPEMING.—Melvin W. Rossway elected vice president-treasurer and controller.

LOUISVILLE & NASHVILLE.—Phil E. Geil, general traffic manager, Louisville, Ky., appointed assistant vice president, with continuing responsibility for rates and charges. The following appointed regional traffic managers at Louisville: J. J. O'Connor, general freight agent, Louisville; J. W. Sellers, traffic manager, New York; and R. H. Wilson, division freight agent, Knoxville, Tenn. F. C. Street continues as the fourth regional traffic manager at Louisville. E. M. Blankner, division freight agent, Nashville, Tenn., replaces Mr. Wilson as division freight agent, Knoxville.

Effective May 1, all of the L&N's offices in New York will be located on the 31st floor of the Daily News Building, 220 East 42nd Street. This includes the financial

offices which had been located at 71 Broadway for some 57 years, and the various traffic offices formerly located at 500 Fifth Avenue. The new quarters will be shared by affiliated family lines—the Atlantic Coast Line, the Georgia and the Clinchfield.

MILWAUKEE.—Jerome F. Johannes, assistant district storekeeper, Milwaukee Shops, appointed inspector of stores there, succeeding H. A. Rieff, retired.

MISSOURI PACIFIC.—Walter W. Salisbury, special engineer, Kansas City, and James W. Bateman, general agent, Denver, Colo., retired April 30.

MONON.—V. C. Golden, assistant general manager and superintendent of motive power and equipment, Lafayette, Ind., appointed general manager, succeeding T. V. Sherrier, who retired May 1.

NEW YORK CENTRAL.—Joseph D. Boylan, assistant freight sales manager, New York, appointed freight sales manager there, succeeding Thomas M. Shalloe, retired.

A. T. Green, supervisor Diesel records, Cleveland, retired April 30. G. L. Zeider, superintendent of shop, Collinwood diesel locomotive shop, Collinwood, Ohio, will have jurisdiction over the diesel record bureau.

NICKEL PLATE.—Lee J. Pfeffer, assistant general freight agent, Cleveland, appointed general freight agent there, succeeding A. E. Bartlett, retired. Roy O. Hanson, general agent, succeeds Mr. Pfeffer. Jack J. Gallagher, traffic representative, named general agent.

John T. Brennan, general agent, passenger department, Cleveland, appointed general passenger agent there, succeeding Charles H. Garn, retired. James E. McInnis, district passenger agent, Chicago, named assistant general passenger agent, Cleveland.

NORTHERN PACIFIC.—Earl F. Requa, general solicitor, elected vice president and general counsel, to succeed M. L. Countryman, Jr., retired.

REA EXPRESS.—Albert V. Casey, assistant vice president—finance, Southern Pacific, San Francisco, appointed vice president and treasurer of REA Express, New York. Mr. Casey will assume responsibility for the finance department, including jurisdiction over the Treasury and Purchasing divisions. M. Stanley Cogan, treasurer of REA, promoted to the new position of assistant vice president, International department.

SEABOARD.—W. E. Satterwhite, trainmaster, Jacksonville, Fla., promoted to assistant superintendent, North Florida division, at

that point, succeeding C. F. Kelly, named assistant general superintendent of transportation, Richmond, Va. (RA, May 1, p. 43).

Granvel E. Huband appointed general TOFC agent, Lake Wales, Fla.

SOO LINE.—Bernhardt J. Pederson, superintendent, Marquette, Mich., retired April 30.

Bernie Levenduski appointed director, per diem research, Minneapolis.

SOUTHERN.—Thomas J. Young, III, commercial agent, Tulsa, Okla., appointed district freight agent, Birmingham, Ala.

TENNESSEE CENTRAL.—Robert S. Tatum, assistant treasurer and assistant secretary, Nashville, Tenn., elected treasurer. Harold Burch elected assistant secretary and will continue also as assistant treasurer.

TEXAS & NEW ORLEANS.—A. P. Hardy appointed district freight and passenger agent, San Antonio, Tex., replacing W. W. Guinn, transferred to Houston.

Supply Trade

Hall E. Downey, advertising manager, General Railway Signal Co., Rochester, N.Y., has been appointed sales promotion and advertising manager.

Thomas C. Fleming, president of Wine Railway Appliance Co., Toledo, Ohio, retired April 30.

Everett M. Klotz, formerly superintendent of mail, express and baggage, St. Paul Union Depot Company, has joined the Stewart-Werner Electronics Division of Stewart-Warner Corp. He will serve as a special mail handling consultant.

General Steel Castings Corp. has changed its name to General Steel Industries, Inc., effective May 1. Stockholders gave their approval to the new name which will be more descriptive of GSC's growing product diversification (RA, April 3, p. 28).

Servo Corp. of America has established five railroad district sales and services offices throughout the country. Lennie E. Keeton has been appointed sales engineer, Southeastern territory, Richmond, Va. Paul Prosswimmer named sales engineer, Northeastern district, Hicksville, N. Y. Sal Ccmpto appointed sales engineer, Western district, Los Angeles. Sanford Steward is district manager, Central district, Chicago. A new sales engineer for the Southwestern district, St. Louis, will be appointed soon.

OBITUARY

Cedric A. Major, 69, president of the Lehigh Valley, New York, died April 28, apparently of a heart attack, while playing tennis.

Raymond L. Morrison, Sr., 64, president of the Morrison Railway Supply Corp., Buffalo, N.Y., died April 27 in Miami Beach, Fla.

Thomas P. Scully, 73, retired vice president and superintendent, Chicago, West Pullman & Southern, died April 24 at Chicago.

Albert Weiberg, 63, retired assistant general auditor, Rock Island, died April 24 in Augustana Hospital, Chicago.

You Ought To Know...

NBC cameramen and sound men outnumbered passengers on the third-from-last trip of PRR-PRSL's New York-Atlantic City "Nellie Bly" last week. Scenes they recorded will be part of a one-hour "White Paper on Railroads" to be televised nationally from 10 to 11 p.m., Tuesday, May 23.

Canada's biggest office move will begin May 19 when Canadian National brings personnel from 22 scattered locations to its new headquarters building at Mansfield and Lagauchetiere Streets in Montreal. In 84 hours, more than 70,000 items of office furniture and supplies will be moved to the 17-story building. On May 23, 3,000 employees will start work at the new location.

An 8.2% "cost-of-living" commuter fare increase will go into effect on the Illinois Central June 1, unless suspended by the Illinois Commerce Commission. IC said the proposed increase, its first since November 1958, would merely cover the increased cost of doing business over the past few years. While regular commuters will be paying more, off-peak riders will get a fare break. IC plans to offer reduced-fare round-trip shoppers' tickets (good weekdays during off-peak daytime hours) at 1½ times the one-way fare.

Authority to institute investigations in most cases arising out of the work of its seven regulatory bureaus has been delegated by the ICC to its vice-chairman, Commissioner Rupert L. Murphy. Commission Chairman Everett Hutchinson called the Commission's action another step in its program to delegate duties heretofore performed by the entire 11-member Commission or by one of its three-member divisions.

A regular purchase order form is being used as an attention-getter for a mailing piece being circularized by the B&LE. B&LE Director of Purchases & Stores John A. Burnett has signed his name to a message urging recipients to write their legislative representatives on bills adverse to the railroads (S. 1197 and S. 1089; H. R. 5937). The message is printed on a purchase order form.

A guaranty for a \$2,500,000 loan to the Lehigh Valley has been granted by the ICC. The Commission has already guaranteed \$12,000,000 in loans to the LV. The Commission is currently considering a proposal of the Pennsylvania to buy the LV, which has freight routes in Pennsylvania, New Jersey and New York.

Hearings on the merger of Seaboard Air Line and Atlantic Coast Line, which began last Nov. 28 and continued through Feb. 18, were scheduled to be resumed May 8 in Atlanta, Ga.

Soo Line's five divisions became three, effective May 1 (RA, April 10, p. 16). Division headquarters are now at Stevens Point, Wis., for the Eastern Division; Shoreham, Minn., for the Central Division; and Enderlin, N. D., for the Western Division.

Monon's application for federal government guaranty of a \$3.5-million loan has been amended to provide for possible use of a part of the proceeds for construction of new dock facilities at Michigan City, Ind., and Louisville, Ky. Projects now under study would involve expenditure of \$2.4 million for dock installations at the two points, plus an estimated \$1,382,200 for other permanent improvements necessary to implement construction of the dock facilities.

Sale of Lehigh Valley's no-longer-needed dining-car silverware (the road has discontinued passenger service) caused a near-stampede at an Allentown, Pa., department store. Some 7,200 items—including wine coolers at \$25 and hors d'oeuvres forks at 25 cents—were sold in 90 minutes.

Shipping costs were reduced 45% on a shipment of LP Gas moving in Union Tank Car's 30,000-gal. Hot Dog design tank car from Lerch, Ark., to St. Louis, Mo., under Kansas City Southern's new incentive LPG rates.

"How to Unchoke Our Cities" is the title of an article on transit in the May issue of Fortune magazine. Author Gilbert Burck points out that "rail commuter lines; still carry more than 220 million people a year, and taxes allocable to their operations range up to 20 cents of every revenue dollar. . . . Rail and transit lines occupy valuable city land, but freeways of equivalent capacity occupy more. If highway users pay no tax on this land, commuter trains cannot be expected to pay property taxes on rights-of-way."

A new key-point terminal was put into operation at Evanston, Ill., recently by REA Express. The \$303,000 facility is the first to be built in Illinois under REA's key-point terminal plan. Thirty truck pickup and delivery routes originate at the Evanston terminal.

Another remnant of the Ex Parte 223 freight-rate case has been disposed of by the ICC. In a report dated April 24, the Commission approved increases in minimum charges per car, which were suspended last fall when the Ex Parte 223 adjustment was approved generally. The higher per-car minima, which may be established May 23, are expected to yield \$2-194,000 a year.

A commuter-aid bill introduced in the U.S. Senate last week by Senator Clifford P. Case (R.-N.J.) would make the loan-guaranty authority of the federal government available to public agencies that acquire commuter equipment for lease to railroads. Said Senator Case: "Regardless of what Congress does with the \$250 million direct-loan program [now pending] we should not overlook the availability of the \$415 million unused portion of the \$500 million loan guaranty fund for use in strengthening our commuter services."

Advertisers' Index

American Steel Foundries	8
Baldwin-Lima-Hamilton Corporation Industrial Equipment Division	15
Beloit Pipe & Dredge, Inc.	37
Bethlehem Steel Company	8
Classified Advertisements	37
Erman-Howell Division Luria Steel & Trading Corp.	37
Fairbanks Morse & Company	26, 27
General American Transportation Corporation Airslide Division	17
General Railway Signal Company	Back Cover
General Steel Industries	11
St. Louis Car Company	
Graybar Electric Company	28
Hyatt Bearings Division of General Motors Corp.	6
National Malleable & Steel Castings Company	26, 21
Okonite Company, The	Inside Back Cover
Union Switch & Signal	4
Division of Westinghouse Air Brake Company	
Waukegan Equipment Division Syrington Wayne Corp.	Inside Front Cover



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What Is Hoffa Up To?

Transportation trends in this country, away from railroad movement, are no more in the interest of shippers and receivers of freight than they are in that of railroads and railroad employees. The harm to railroads and their employees is painfully plain—to them and to everybody else. The threat to the purchasers of transportation service is much less self-evident, thus far. But it is real and dangerous. Like an internal cancer, such a malady is the more of a menace to the degree that it goes undetected and unrecognized.

Freight ton-miles moved by truck are now 22% of the nation's total, and the ratio hauled by rail is less than 45%. The more the truck ratio increases in relation to the rail ratio, the more the transportation service of the nation becomes subject to the power of one man—James Hoffa, head of the Teamsters' union. Testimony is now at hand indicating that Mr. Hoffa is carefully laying his plans to make effective use of his rapidly growing stranglehold over the nation's commerce.

'MASTER CONTRACT'

Victor Riesel, the noted labor columnist, has reported what is happening, in the Washington news letter "Human Events" (April 28 issue). The Teamsters' union now has a multitude of contracts with thousands of employees—and these contracts have a wide variety in their provisions and in their dates of expiration. Mr. Hoffa (Mr. Riesel reports) is now moving forward energetically to bring an end to this diversity. What he is working toward is a "master contract" with a uniform date of expiration, to cover all employees in over-the-road hauling and local cartage.

IDENTICAL EXPIRATION DATES

The contract Hoffa recently negotiated in New England appears to be the prototype of the uniform contract he has in mind for general application. With identical dates of expiration on all these contracts, the head of the Teamsters would have it in his power to paralyze all the country's freight transportation—*except the part of it moving wholly by rail, and hence not subject to Mr. Hoffa's dictation.*

Unless the shipping fraternity has unlimited confidence in the benevolence of Mr. Hoffa and those who may succeed him in the leadership of the

Teamsters' union—then prudence would seem to suggest that they slow down the rate at which they've been putting more and more of their transportation eggs into this particular basket.

The ratios of rail and truck ton-miles, of course, do not reflect the full measure of the Teamsters' power—because some of the railroad tonnage requires local cartage, and this latter Mr. Hoffa expects, also, to be subjected to his "master contract."

Some local truckers who work with railroads are loyal cooperators with the railroads (and this observation applies also to their drivers), but what can they do if they are brought under the control of Mr. Hoffa's "master contract?" Some shippers and receivers may believe they can protect their transportation service against high-handed interruption by operating their own trucks. But who can be so trusting as to suppose that Mr. Hoffa would permit drivers of private trucks to undermine a strike he had ordained against for-hire carriers?

ALL-RAIL SERVICE, BEST INSURANCE

The only dependable insurance shippers and receivers can have in a situation like this is to set a limit to their dependence on trucking and to maintain continuously a healthy proportion of their traffic on an all-rail basis. Some of the Teamsters' locals appear to be well led, and obviously do not share either Mr. Hoffa's antipathy toward the railroads, nor his ambitions to acquire personal control over the transportation industry. But their power of resistance will not be great if the "master contract" program succeeds.

Railroads and their employees have a part to play in protecting the interests of the shipping public in this situation. Railroads certainly owe it to their customers to warn them of this threat to their welfare. Railroad employees and their unions (for their part) can serve their own interests, as well as those of railroad patrons, by putting an end to their frequent strikes over trivial grievances. The threat to the nation's commerce by Mr. Hoffa's operations is a danger that lies, largely, in the future. The too-frequent disruption of rail service by the railroad unions, up to now, has inconvenienced and injured shippers as much as, or more than, any work stoppages Mr. Hoffa has inflicted upon the nation's commerce.

Shippers should also be reminded that the local deliveries of REA Express are not performed by members of the Teamsters' organization in all cities—at some points REA trucks are driven by members of the Brotherhood of Railway Clerks.

The only possible protection there is against what Mr. Hoffa appears to be planning is an increased use by industry of all-rail transportation service—and, to be acceptable as a form of insurance, rail service must be as dependable and free from interruption as management and unions can make it.



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